

CONFIDENTIAL.

(9299.)

PART XII.

FURTHER CORRESPONDENCE

RESPECTING THE

AFFAIRS OF PERSIA.

October to December 1907.

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ERRATA.

Page 5, No. 12, line 1. For "30th" read "29th."
Page 18, No. 90. The date of the telegram should be October 17.
Page 53, No. 100, line 1. Delete the word "my."
Page 53, No. 101, line 2. For "Mr. Langley's" read "Mr. Mallet's."
Page 54, No. 104, Inclosure 1. Insert "(No. 21)."
Page 98, No. 133, line 4. For "22nd" read "18th."
Page 101, No. 142, line 6. For "instant" read "ultimo."
Page 106, No. 160, line 1. For "instant" read "ultimo."
Page 112, No. 179, line 3. For "No. 277" read "No. 287."
Page 142, No. 254, line 8. The * should be a †.
Page 148, No. 267, line 2. For "18th" read "16th."
Page 318, No. 448, line 1. For "15th" read "16th."
Page 325, No. 470, line 2. For "24th" read "21st."
Page 332, No. 485, line 6. For "27th" read "26th."

CONFIDENTIAL.

Further Correspondence respecting the Affairs of Persia.

PART XII.

[32726]

No. 1.

India Office to Foreign Office.—(Received October 1.)

Sir,

India Office, September 30, 1907.

IN reply to your letter dated the 25th September, 1907, I am directed by Mr. Secretary Morley to say that he concurs in the proposal of Secretary Sir E. Grey to furnish Sir C. Spring-Rice with instructions, similar to those which his Russian colleague has received, regarding the projected transfer of rights over the Tehran-Meshed and Meshed-Seistan telegraph lines.

I am, &c.
(Signed) COLIN G. CAMPBELL.

[32745]

No. 2.

India Office to Foreign Office.—(Received October 1.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of inclosures in a letter from the Foreign Secretary to the Government of India, dated the 5th instant, relative to the Abu Musa Red Oxide Concession.

India Office, September 30, 1907.

Inclosure 1 in No. 2.

Major Cox to Government of India.

(Telegraphic.) P.

Bushire, June 23, 1907.

ABU MUSA Concession. Please see clause I of my telegram of the 21st May.

Letter now received from Sheikh states that the concessionnaire has reinforced his miners and refuses to stop mining operations, and shows that force will be necessary to oust him from Abu Musa. The Sheikh is afraid that the result may lead to an inconvenient conflict; and, having regard to the fact that the concessionnaire is a British subject, he begs that Government will either arrange matters themselves or advise him how to proceed. It will be advisable that some explanation of reasons of our inaction should be given to the Sheikh if it is desired that all action for the present should remain in abeyance; otherwise he may think that we cannot support his action in cancellation of the Abu Musa Concession, and that we have receded from the position which we had taken up.

Inclosure 2 in No. 2.

Major Cox to Government of India.

(Telegraphic.) P.

Bushire, July 6, 1907.

I AM taking steps to obtain the details as to Abu Musa Concession affair asked for in your telegram of the 27th June.

As the concessionaire is a British subject it seems natural that we should deter him or warn him, and it would probably suffice if he received a warning from us at the instance of the Sheikh. Supposing, however, that Government do not wish to appear in the matter, I imagine that the Sheikh of Shargah would send over a sufficient number of armed men by dhow to eject the miners, if it were intimated to him that he was at liberty to use force. Having accomplished this he would land the miners at Lingah, if necessary, and would leave on Abu Musa an armed guard.

A preliminary warning should, I presume, be given to the miners through Senior Naval Officer or Residency Agent at Lingah, if they prove, as seems probable, to be Persian subjects. I presume, too, that British ship[s] should stand by to see that no unnecessary force is used. This step might in any case be advisable.

Inclosure 3 in No. 2.

Major Cox to Government of India.

(Telegraphic.) P.

Bushire, August 22, 1907.

FROM Residency Agent's report it appears that from ten to fifteen labourers are always at mines, and that when a ship visits island she takes over about eighty men from the Persian coast, and returns them when done with.

The Sheikh states that he can dispatch a boat-load of armed retainers whom he can trust with orders to persuade the miners to quit the island peacefully, and failing this to remove them by force. They would be sent to Lingah direct, if a Lingah dhow were available, otherwise they would be sent via Shargah. The present moment would be favourable for action, as, owing to heat of climate, numerical strength of miners is at lowest figure. Is there, before any action is taken, any obligation to address warning to the Persian Government? I hardly think it would be necessary.

[32736]

No. 3.

India Office to Foreign Office. (Received October 1.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 25th instant, relative to the effect of the Anglo-Russian Convention on railway construction in Persia.

India Office, September 30, 1907.

Inclosure in No. 3.

Mr. Morley to Government of India.

(Telegraphic.) P.

India Office, September 25, 1907.

RAILWAY construction in Persia. See your telegram of 2nd instant.

In the opinion of the Foreign Office, His Majesty's Government would be justified by the wording of the 1888 pledge in asking permission to construct a line in Southern Persia in the event of Russian Government obtaining a Concession to construct one in

the north, though they would clearly be prevented by Anglo-Russian Arrangement regarding Persia from constructing a railway as far as Tehran.

Our position, both in our own and the neutral spheres, is now stronger than before signature of Convention, as Russian Government have, by the new Arrangement, undertaken not to oppose Concessions supported by His Majesty's Government in British sphere, nor, without previous discussion, in neutral zone either.

[32732]

No. 4.

India Office to Foreign Office. (Received October 1.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 25th instant, relative to the suggested transfer of the Mohammerah-Ahwaz-Borasjun telegraph line to the Indo-European Telegraph Department.

India Office, September 30, 1907.

Inclosure in No. 4.

Mr. Morley to Government of India.

(Telegraphic.) P.

India Office, September 25, 1907.

PERSIAN telegraphs. Your telegram of the 3rd instant. I am informed by Foreign Office that, while question will not be lost sight of at Tehran, it would be useless, in present temper of Persian National Assembly, to suggest transfer to Indo-European Telegraph Department of Mohammerah-Ahwaz-Borasjun line.

[32784]

No. 5.

War Office to Foreign Office. (Received October 1.)

Sir,

War Office, September 30, 1907.

WITH reference to your letter of the 10th instant, I am commanded by the Army Council to inform you that twenty sets, of eleven sheets each, of the map of Eastern Turkey in Asia, compiled by Major F. R. Maunsell, R.A., have been prepared as requested, the Williams-Tchirikoff zone and the Mediating Commissioners' line of 1850 having been added in colours.

The sheets have now been sent to Mr. Haggard, of Leonard Street, S.W., to be mounted, folded, and provided with cardboard cases for each set, as desired by you.

Mr. Haggard has been informed that the order should be completed speedily, as the matter is urgent.

A Memorandum is attached, showing the discrepancies which occur between the "Identie" map and Major Maunsell's sheets.

With regard to the possible appointment of British Commissioners to assist in the delimitation of the boundary, referred to in the first paragraph of your letter, I am to suggest that the name of Major F. R. Maunsell, C.M.G., R.A., may be favourably considered for the appointment of Commissioner, in view of the fact that he has a very extensive knowledge of the region in question, and that our geographical information of Eastern Turkey in Asia is largely due to him.

I am, &c.

(Signed) R. H. BRADE.

Inclosure in No. 5.

MEMORANDUM showing the positions where discrepancies occur between the "Identie"
Map of 1869 and Major Maunsell's Sheets of Eastern Turkey in Asia.

Sheet.	Latitude.	Longitude.
	° ' "	° ' "
Bayazid	39 45	44 30
	39 15	43 50
	39 20	44 25
Urmia Julamerk	37 40	44 25
	37 0	44 40
Serdesht	36 30	45 20
Sulaimania	35 0	46 0
	35 45	45 45
Khanikin	34 15	46 20
	34 10	45 25

[32786]

No. 6.

Sir C. Spring-Rice to Sir Edward Grey.—(Received October 1.)

(No. 284.)

(Telegraphic.) P.

Tehran, October 1, 1907.

FINANCE. With the exception of guaranteed private debts and British loan, Persian Government has now paid practically all interest on Government account. Please refer to my telegram No. 279 of the 27th ultimo.

[32658]

No. 7.

Sir Edward Grey to Sir A. Nicolson.

(No. 226.)

(Telegraphic.) P.

Foreign Office, October 1, 1907.

RENEWAL of Telegraph Concessions: Refer to your despatch No. 428 of the 26th August.

The moment is, in Sir C. Spring-Rice's opinion, inopportune for approaching the Persian Government on the subject.

He has been informed that we concur.

[32658]

No. 8.

Sir Edward Grey to Sir C. Spring-Rice.

(No. 131.)

(Telegraphic.) P.

Foreign Office, October 1, 1907.

RENEWAL of Telegraph Concessions.

We concur. Please refer to your telegram No. 282 of the 30th ultimo.

[32878]

No. 9.

Sir C. Spring-Rice to Sir Edward Grey.—(Received October 2.)

(No. 285.)

(Telegraphic.) P.

Tehran, October 2, 1907.

SHAH has been solemnly informed by a Committee composed of Princes, high military and civil officials, and great landlords, and including all the reactionaries of prominence, that, unless he maintains the Constitution and works with the Medjliss, their support will be withdrawn from the Throne. The usual reassuring answer was returned by His Majesty. The Minister for Foreign Affairs, whose position is very precarious owing to the strike in his own department, is opposed to them, but the head of the new Government has promised them support.

The members of the Committee yesterday took a solemn oath of fidelity to the Constitution in the Assembly, where they had repaired for the purpose.

Excepting the support of the Minister for Foreign Affairs, who seems to enjoy the Russian Minister's sympathy, the Shah is now practically isolated, though he is supposed still to entertain reactionary views.

Throughout this business this Legation has maintained a neutral attitude.

[32880]

No. 10.

Sir C. Spring-Rice to Sir Edward Grey.—(Received October 2.)

(No. 286.)

(Telegraphic.) P.

Tehran, October 2, 1907.

TURCO-PERSIAN frontier.

I am informed by Persian Government that further advance on Bania and Serdasht has been made by Turks.

[32874]

No. 11.

Mr. Lister to Sir Edward Grey.—(Received October 2.)

(No. 54.)

(Telegraphic.) P.

Paris, October 2, 1907.

FINANCIAL expert for Persia. Your despatch No. 540.

Minister of Finance yesterday designated an expert, and M. Pichon expects to be informed to-day officially of the appointment which will be announced to Teheran by telegraph.

M. Soulange Bodin gave me to understand that the French Government had already informed His Majesty's Government and the Russian Government that they intended to entertain favourably the Persian Government's application.

[32726]

No. 12.

Sir Edward Grey to Sir A. Nicolson.

(No. 228.)

(Telegraphic.) P.

Foreign Office, October 2, 1907.

EXCHANGE of telegraph lines: Refer to your telegram No. 208 of the 30th ultimo.

Messenger leaving to-day will take instructions to Tehran.

[32416]

No. 13.

Sir Edward Grey to Sir C. Spring-Rice.

(No. 132.)

(Telegraphic.) P.

Foreign Office, October 2, 1907.

TURCO-PERSIAN frontier: Please refer to Sir N. O'Connor's telegram No. 130 of the 28th ultimo.

You should do your utmost to persuade the Persian Assembly and Government to act cautiously.

Strong representations are being made by His Majesty's Government and by Russian Government to the Porte, and there is ground to hope that they will not prove ineffectual.

[1549]

C

[32726]

No. 14.

Sir Edward Grey to Sir C. Spring-Rice.(No. 170.)
Sir,*Foreign Office, October 2, 1907.*

IN concluding an Arrangement concerning Persia, forming part of the Anglo-Russian Convention of the 31st August, 1907, His Majesty's and the Russian Governments, in order to avoid all cause of conflict between their interests in the regions of Persia adjoining the respective frontiers of their States, engaged themselves reciprocally not to seek Concessions in the region nearly affecting the interests of the other.

In order not to infringe this principle, the two Governments have been obliged to introduce a change into the position of the Tehran-Meshed and Meshed-Seistan telegraph lines. After an exhaustive examination of this question, it has been decided, on the one hand, that the first of these lines, which lies entirely within the region in which Russia is interested, shall pass within the competence of the Russian administration on the same conditions on which it lies at present within the competence of the British administration; on the other hand, seeing that a part of the Meshed-Seistan telegraph crosses the above-mentioned region, it has been decided that this line shall be divided into sections at Khaf, that the section to the north of this point shall be within the competence of the Russian administration, and that to the south of the same point within that of the British administration. An Arrangement on this subject was signed on the 31st August by Sir A. Nicolson and M. Isvolsky, the text of which I transmit to you herewith.*

In concluding this Arrangement the two Governments cannot lose sight of the fact that the lines in question are the property of the Persian Government, and that the rights which they possess over those lines are only granted by that Government. It is therefore necessary to obtain the consent of the Government of His Majesty the Shah to the carrying out of the measures contemplated by the Agreement in question, in consequence of which an Article dealing with this point has been inserted in the text of the Arrangement.

I have therefore to request you to confer with your Russian colleague, who has been furnished with identical instructions, in order to decide by mutual agreement on the steps which it will be necessary to take in order to obtain from the Persian Government the required consent, and to take these steps as soon as the moment appears favourable for doing so.

You should inform me in due course of any action which you may take in accordance with these instructions.

I am, &c.
(Signed) E. GREY.

[32961]

No. 15.

India Office to Foreign Office.—(Received October 3.)

Sir,

India Office, October 2, 1907.

In reply to your letter dated the 7th ultimo, I am directed by Mr. Secretary Morley to explain that under the orders contained in the telegrams of which copies were inclosed with my covering letter of the 10th April last, the period for which the appointment of Military Attaché at Meshed has been sanctioned would, in ordinary course, expire on the 20th October next.

Though the question of the permanent retention of the appointment may hereafter call for reconsideration, Mr. Morley is disposed to concur in Sir C. Spring-Rice's view that its suppression at the present time is not desirable; and he therefore proposes, subject to Sir E. Grey's concurrence, to inform the Government of India that Captain Smyth may be retained at Meshed for six months more pending the receipt of further orders.

I am, &c.
(Signed) COLIN G. CAMPBELL.

* See Part XI, Inclosure in No. 309.

[32973]

No. 16.

India Office to Foreign Office.—(Received October 3.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 2nd instant, relative to the Military Attaché at Meshed.

India Office, October 3, 1907.

Inclosure in No. 16.

Government of India to Mr. Morley.

(Telegraphic.) P.

October 2, 1907.

MILITARY Attaché at Meshed: Your telegram of the 6th April last.

We request sanction to the retention of the appointment beyond the 20th instant, pending your receipt of a despatch we are addressing to you on the subject and the intimation of your orders thereon. Please reply to this communication by telegraph.

[32984]

No. 17.

Sir C. Spring-Rice to Sir Edward Grey.—(Received October 3.)

(No. 287.)

(Telegraphic.) P.

Tehran, October 3, 1907.

TURCO-PERSIAN frontier. Your telegram No. 132 of yesterday.

Deep feeling of indignation here is increasing rather than diminishing, but subscriptions and military preparations should not be taken very seriously. Everything in our power is being done to bring about conviction that this country should rely rather on fear of Christian interference and appeal to religious feelings of Sultan than on military preparation.

[32980]

No. 18.

Sir C. Spring-Rice to Sir Edward Grey.—(Received October 3.)

(No. 288.)

(Telegraphic.) P.

Tehran, October 3, 1907.

SAAD-ED-DOWLEH has been dismissed from post of Minister for Foreign Affairs (see my telegram No. 285 of yesterday).

[32880]

No. 19.

Sir Edward Grey to Sir N. O'Connor.

(No. 132.)

(Telegraphic.) P.

Foreign Office, October 3, 1907.

PLEASE refer to Sir C. Spring-Rice's telegram No. 286 of the 2nd instant: Turco-Persian frontier.

The seriousness of the situation appears to be increasing daily.

No doubt whatever exists as to the occupation of certain points within the limits of Persian territory by Turkish troops, and if the Persian Government's news is accurate, yet another advance has taken place. In making a very serious representation to the Porte against their protracted inaction in not ordering the recall of Turkish troops from Persian territory, pray endeavour to secure co-operation of your Russian colleague.

[32989]

No. 20.

Mr. Lister to Sir Edward Grey.—(Received October 4.)

(No. 486.)

Sir,

Paris, October 3, 1907.

IN accordance with the instructions contained in your despatch No. 540 of the 28th ultimo, I spoke to the Minister for Foreign Affairs with regard to the application made to the French Government by the Persian Government for the services of a French financial expert.

I explained to his Excellency the view taken by His Majesty's Government, and suggested the desirability of according a favourable reception to the application and of losing no time in reaching an agreement with Great Britain and Russia with regard to the appointment.

As I had the honour to report in my telegram No. 54 of yesterday's date, M. Pichon informed me that the official in question had already been selected by the Ministry of Finance, and that as soon as the official letter had been received his appointment would be notified by telegraph to Tehran. M. Pichon could not recollect his name, but said that M. Soulangé-Bodin, whom I was to see later, would no doubt be able to give it to me. The latter, however, was not sure of it, the communication having been made by telephone, and I have only ascertained to-day that the official designated by M. Caillaux is an inspector of finance of the name of Bizot. I said that I concluded that the necessary steps were being taken for coming to the understanding contemplated in August with His Majesty's Government and the Russian Government on the subject, but M. Soulangé-Bodin replied that no understanding was necessary, that the French Government had merely undertaken to notify the appointment to the two Governments, and that this no doubt would be done.

This did not quite coincide with what was said in your above-mentioned despatch, but M. Soulangé-Bodin, to whom I telephoned this morning on the subject, maintains his attitude. I gather that the appointment of M. Bizot has not as yet been telegraphed to Tehran.

I have, &c.
(Signed) REGINALD LISTER.

[33062]

No. 21.

Sir A. Nicolson to Sir Edward Grey.—(Received October 4.)

(No. 212.)

(Telegraphic.) P.

St. Petersburg, October 4, 1907.

M. GOUBASTOFF informed me to-day, with reference to the Turco-Persian frontier, that he had received no news from Persian Legation here or from Tehran as to fresh developments. M. Zinovieff would, he felt sure, co-operate with Sir N. O'Connor in any representations he should make to the Ottoman Government, but that M. Zinovieff did not expect that withdrawal of Turkish troops would be obtained through any representations which might be made to the Sublime Porte. No suggestion had been made by the Russian Ambassador as to what could be done if no impression should be produced by representations; in the opinion of M. Goubastoff, however, the moment was favourable for British and Russian Governments to show Persian Government that they had every intention of seeing that Persian integrity was respected.

As to how this was to be effected M. Goubastoff had, however, no practical proposal to make.

[32961]

No. 22.

Sir Edward Grey to Sir C. Spring-Rice.

(No. 135.)

(Telegraphic.) P.

Foreign Office, October 4, 1907.

MILITARY Attaché at Meshed. Please refer to your despatch No. 168 of the 24th July.

We are in agreement with views you express, and information will be sent to Government of India to the effect that, pending further orders, he may be retained for another six months from the 20th instant.

[32961]

No. 23.

Foreign Office to India Office.

Sir,

Foreign Office, October 4, 1907.

IN reply to your letter of the 2nd instant, relative to the extension of the appointment of the Military Attaché at Meshed, I am directed by Secretary Sir Edward Grey to inform you that he agrees with Mr. Secretary Morley in sharing the view of His Majesty's Minister at Tehran that its suppression at the present time is not desirable, and that he accordingly concurs in Mr. Morley's proposal to inform the Government of India that Captain Smyth may be retained at Meshed for six months more pending the receipt of further orders.

I am to add that a telegram in this sense has been addressed to Sir C. Spring-Rice.

I am, &c.
(Signed) LOUIS MALLET.

[33182]

No. 24.

Foreign Office to India Office.

Sir,

Foreign Office, October 4, 1907.

WITH reference to my letter of the 17th ultimo relative to the dangerous situation of the staff of the Oil Concessions Syndicate in Persia, I am directed by Secretary Sir Edward Grey to inform you that Mr. D'Arcy called at this Office to-day and stated the opinion that, if the Royal Indian mail-steamer "Comet," presumably now at Bagdad, could be sent up the Karun River to Ahwaz to show the British flag there, it would have a very reassuring effect on the employés of the Syndicate and would probably prevent any attack upon them by the tribesmen of the locality.

Sir E. Grey agrees with Mr. D'Arcy as to the probable efficacy of such a measure, and I am accordingly to request that, if Mr. Secretary Morley concurs, immediate instructions for the dispatch of the "Comet" may be sent to Ahwaz with as little delay as possible.

I am to add that Sir E. Grey would be glad to receive an early reply to the letter from this Office referred to above on the subject of the increase of the Ahwaz Consular guard.

I am, &c.
(Signed) LOUIS MALLET.

[33201]

No. 25.

Sir N. O'Connor to Sir Edward Grey.—(Received October 5.)

(No. 132.)

(Telegraphic.) P.

Constantinople, October 5, 1907.

I HAVE received a telegram from Mr. Wratislaw asking for information concerning the Persian Commission and its objects, and I have sent him the following reply:—

"With a view to a joint inquiry respecting recent Turkish encroachments and the frontier question generally, the Persian Government some weeks ago agreed to send Commissioners to meet Tahir Pasha and the other Ottoman Commissioners, but I learn from the Russian Ambassador that the Persian Government can find no one willing to go.

"It depends probably on your being able to persuade Tahir Pasha to discard the frontier indicated in Dervish Pasha's map as contrary to the finding of the Anglo-Russian Commission as well as to the recent *status quo*, and therefore unacceptable, whether your mission will be successful."

[32484]

No. 26.

Foreign Office to India Office.

Sir,

Foreign Office, October 5, 1907.

WITH reference to my letter of the 4th instant, relative to the dangerous situation of the staff employed by the Oil Concessions Syndicate near Ahwaz, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's Minister at Tehran,* forwarding copy of a report from His Majesty's Vice-Consul at that place, in which this subject is fully discussed.

The state of affairs revealed by Sir C. Spring-Rice and by Captain Lorimer is undoubtedly grave, and I am accordingly to state that it is, in Sir E. Grey's opinion, very desirable that the proposals for the increase of the Ahwaz Consular guard made in the letter from this Office of the 17th ultimo should be carried out with as little delay as possible.

I have, &c.
(Signed) LOUIS MALLET.

[33248]

No. 27.

Sir N. O'Connor to Sir Edward Grey.—(Received October 7.)

(No. 633.)

Sir,

Therapia, October 1, 1907.

I HAVE the honour to report that I duly communicated to the Imperial Ottoman Government on the 24th ultimo the text of the Convention between His Majesty's Government and the Russian Government which was forwarded to me in your despatch No. 391 of the 20th ultimo. At the same time I called the attention of the Sublime Porte to the preliminary clause respecting the intention of the two Governments to respect the integrity and independence of Persia.

I had previously informed my Russian colleague of the message which I was to deliver.

I have, &c.
(Signed) N. R. O'CONOR.

[33250]

No. 28.

Sir N. O'Connor to Sir Edward Grey.—(Received October 7.)

(No. 635.)

Sir,

Therapia, October 1, 1907.

I HAVE the honour to transmit herewith copies of two further telegrams which have been received by the Persian Ambassador at this Court from his Government and communicated to me by his Highness, in the first of which they declare that the present frontier dispute cannot be settled except by the arbitration of the English and Russian Governments.

I told the dragoman who called upon me on behalf of the Ambassador that, whatever course His Majesty's Government and that of Russia might eventually take, it was necessary at all events to await the Report of Mr. Wratislaw in order to know exactly how matters stood.

With regard to the first paragraph of the same telegram, in which the Ambassador is said to have telegraphed that, as a result of his representations, the Sublime Porte had ordered the Ottoman troops not to occupy Kingtehine and Baradost, I may state that I very much doubt the Porte having given any such orders. They had not authority at that time to do so, and I have not been able so far to persuade the Sultan to take any such step.

I have, &c.
(Signed) N. R. O'CONOR.

* See Part XI, No. 467.

[This despatch should have appeared on p. 12, before No. 29.]

[33254]

No. 28*.

Sir N. O'Connor to Sir Edward Grey.—(Received October 7.)

(No. 639. Confidential.)

Sir,

Therapia, September 30, 1907.

WITH reference to your despatch No. 387 of the 19th instant, transmitting a communication from Messrs. Lynch Brothers on the subject of mother-of-pearl and oyster-shell trade in the Persian Gulf, I have the honour to transmit herewith a Memorandum by Mr. George Lloyd, Honorary Attaché to this Embassy, prepared at my request, dealing with the points raised in connection with the activity of a German firm in this trade, and containing observations which I hope will not escape notice.

As an immediate measure, and one that can be taken before next fishing season, I venture to suggest that the attention of the British India Steam Navigation Company, who apparently already do some work in the shell fishing at Bahrein, should be drawn to the question, and that they should be urged to make arrangements for the extension of this branch of their trade in the forthcoming season.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 28*.

Memorandum by Mr. G. Lloyd on the Mother-of-Pearl and Oyster-Shell Trade of the Persian Gulf and its acquisition by Germans.

A TANGIBLE proof of the energy and insistency with which Germany is attempting to rival our commercial and political interests in the Persian Gulf comes recently to hand in the information contained in a letter on the pearl-shell industry of the Persian Gulf, written by Messrs. Lynch Brothers' agent at Bussorah, and forwarded to His Majesty's Secretary of State for Foreign Affairs on the 19th September.

The subject deserves considerable attention and stress laid upon it, inasmuch as the most recent *exposé* of the above-mentioned policy is disclosed through a subject in which few people at first sight would be likely to take more than a cursory interest.

Any student of Persian Gulf history cannot fail to have observed and noted that the rulers of that sea and those who have obtained ascendancy of influence on its coasts have always and only been those nations who have established strong and unrivalled commercial interests there. From the days of Sinbad's roving enterprise down to to-day the shores of the Persian Gulf have witnessed a perpetual succession of commercial struggles, and Portuguese and Dutch, Dutch and English, all alike, fought for the preservation of their commercial interests, and in no case was there a clear idea of any political aim until many years after the English supremacy had been established, and Indian interests were found to be insolubly bound up with the position we had won for the sake of commercial enterprise. The present position then of England in the Persian Gulf—the outcome, it is repeated, of commercial struggles with the Dutch—proves the point generally acknowledged, but often forgotten, that political ascendancy in the Persian Gulf is the direct outcome of, and only to be insured by, a strong commercial predominance over all other nations.

This fact, so clearly established, gives the present commercial activity of Germany in the Persian Gulf an especial importance, and the news that Germany is in a fair way to get a complete monopoly of the most important natural trade of the Persian Gulf into her hands demands, I submit, immediate and studied attention and action on the part of His Majesty's Government.

It may be argued that His Majesty's Government is not in a position to go far or to take a new course in assisting directly the British trader against a German competitor. But the situation in the Persian Gulf is a new one and a special one, and demands special and new methods.

Where the competing trade is a "fair" one, that is to say, where it is the outcome of unassisted private enterprise, it should be unnecessary, and is certainly unwise, to destroy the independence of the British trader by any form of Government help, but

where the British trader is faced with subsidized rivals (an impossibility to prove, but an undoubted fact), it becomes time to consider whether tactics designed to impair British political supremacy in the Gulf should not be met with similar tactics.

The absorption of the mother-of-pearl industry of the Persian Gulf by Germany has the following danger, and one not common to other trades in the Gulf. The Germans, in pursuit of this industry, have established relations with many Sheikhs and villages on the coast; they own boats, and are employers of local labour, which facilitates their getting into touch with Sheikhs and Trucial Chiefs, who, possessed of our protection, and pledged to abstention from political relations with all other Powers, would not be allowed to have such intercourse in any other way.

To pursue this policy a very little further into an uninterrupted future, I think it is not an unfair assumption to make that the same nation who got possession of Kiao Chau may very consistently find a cause, should any accident occur or any attack be made by Arabs or pirates upon any of the fishing craft owned by Germans, for the dispatch of German gun-boats, and for consequent political interference in a region where they have as yet no political interest in any shape or form.

I suggest that this is no improbable or far-fetched view of the future, but only a fair summing up of probabilities based upon Germany's past methods in establishing her political influence, and as this is probably the best manner in which that object could be attained, it is probably the course which she will adopt.

The question is, then, what can be done, as a temporary measure at first, and as a permanent one afterwards, to secure the transference of this trade from German into British hands, and to lessen the danger occasioned by the acute commercial rivalry with which England is being faced in the Persian Gulf.

The methods adopted must, I submit, be obstructive at first and constructive afterwards, the former to be used until the latter are in operation.

Obstructive methods in this connection are simple, and especially so in the Gulf. The head-quarters, or at any rate one of the most important places, for pearl-shell fisheries being at Sharga and along the neighbouring coast, where British relations with the Trucial Chiefs are both intimate and friendly, it would only be necessary for instructions and explanations to be sent to His Majesty's Resident in the Persian Gulf that "no facilities" should be given by the Sheikhs to German traders or agents who were not provided, say, with introductions from His Majesty's Resident. Nothing need be done on paper, and if His Majesty's Resident were allowed his customary discretion in local dealings with the Chiefs, there is no question that the many difficulties inseparable from trading with Arabs on such a desolate coast could be intangibly but certainly be made very formidable. The trade would gradually transfer itself to the British firm ready to take it up.

But these obstructions must result in a constructive scheme to insure the proper working of the pearl-shell business at a minimum of cost and the maximum of profit by Messrs. Gray Dawes, Messrs. Lynch, or any other firm of good standing acquainted with the trade of the Gulf who may be ready to take up the business actively.

According to the information given in the letter above mentioned from Messrs. Lynch Brothers' agent at Bussorah, the chief reasons which enable Germans to compete so successfully in this trade are—

1. That Hamburg has become a better market for the shells than London;
2. That the portage and storage duties, &c., at that port are some 10 per cent. cheaper than at the port of London;
3. That the Hamburg-American steamers quote cheaper rates of freight than British steamers.

As regards the first two points, I suggest that if it be true that greater facilities exist at Hamburg, and that the demand is also larger there than in London, no attempt should be made to divert the trade at once from Hamburg to London. It is only economical and wise that trade should be allowed to follow its natural course, provided always that in so doing it does not endanger other greater interests, and the main danger will have been averted as soon as this trade is being done by British and not German merchants in the Persian Gulf itself, and as soon as it is conveyed in British and not German ships.

It is then essential absolutely that an attempt should be made and pressure brought to bear on the British direct lines, with a view to obtaining special low rates of freight for this trade to Hamburg and London.

The rates quoted by both German and British Steamer Companies from the Persian Gulf are reasonable, and only vary from each other, as a rule, by about 2s. 6d.,

but there is every probability that the German lines give very large rebates on the rates quoted for this trade, and it should, I venture to suggest, be pointed out clearly to the British Steam-ship Companies that, if the trade is to be transferred to British hands, it is imperative that, for a short time at any rate, they should be prepared, even at a sacrifice, to underquote any rates given by the German steamers. It may be replied by them that they have sufficient trade without this shell trade, but they should be made to realize that in losing this trade they are risking losing other trades also. Messrs. Lynch's agent forcibly demonstrates this fact when he alludes to the way in which Germans at Lingah are getting a grasp of the Manchester trade, and are bringing out cotton goods in which they cannot as yet compete themselves from Manchester in German steamers.

The manner in which the Germans are extending their grasp of trade in the Persian Gulf, when necessary through the temporary medium of British goods, afterwards to be counterfeited when the trade is in their hands, constitutes a grave menace to British shipping in the Gulf, and it is a matter which I am convinced is not clearly realized in a practical manner by the British Steam-ship Companies, who rely for information entirely on their agents, who may not have sufficient grasp of the general situation, or of the trend of German policy, to fully apprehend the danger that exists.

British steamers at present continually call at Rotterdam, and in making Hamburg an additional port of call they would neither seriously lengthen their journey nor increase their expenditure.

In conclusion, I suggest that the scheme here proposed might, and very probably would, lead up to the establishment of a monopoly to one or several British firms, granted, say, for some consideration, by the Chiefs in the pearl-shell trade, and similar to the successful monopoly established by the Italians at Massowah.

I understand that the Hamburg-America Company are now beginning to run a service of two instead of one steamers per month to Bussorah, which may be taken as a proof not only of their determination to create interests in the Persian Gulf, but of the success with which they are doing it.

I venture then to reiterate that it is of urgent importance to British commercial and political influence in the Persian Gulf that this matter, apparently somewhat insignificant at first sight, but one affecting and touching at the root and basis of British influence there, should be taken up immediately and studied in a manner that may so easily insure the success of the object in view, and the further safeguarding of the vital interests of Great Britain in the Persian Gulf.

Telegrams communicated by the Persian Minister at Constantinople to Sir N. O'Connor.

(1.)

(Traduction.)

Le 21 Septembre, 1907.

VOUS avez télégraphié que, d'après vos démarches, la Sublime Porte a donné l'ordre aux troupes Ottomanes de ne pas occuper Kingtchine et Baradoste.

Je dois attirer votre attention que de pareils ordres n'ont aucun résultat, car chaque endroit que les Turcs occupent sur le territoire Persan, contre tous les droits, ils tâchent de faire passer ces points comme appartenant au Gouvernement Ottoman, et ils se sont fait une fausse idée que le Mont Ararat est la frontière Turque, par conséquent ils croient que leur territoire s'étend jusqu'à 6 kilom. d'Ourmié, et que l'ancienne ville de Salmas doit entrer dans leur territoire. D'après son Altesse le Prince Firman Firma, du commencement de leur incursion à Pesveh, Lahidjian (ancien et nouveau), jusqu'aujourd'hui, les Turcs ont occupé jour par jour à peu près 100 ferseks carrés (600 kilom.) du territoire Persan; par conséquent, impossible de trancher ces questions limitrophes sans l'arbitrage des Gouvernements Anglais et Russe; d'ailleurs, c'est l'avis de tous les Ministres ainsi que des Gouverneurs d'Ourmié et Saoudj-Boulak, que sans l'arbitrage d'un tiers, les enquêtes mixtes des Commissaires Turc et Persan seront sans résultat, comme les enquêtes qui ont été déjà faites pour Vezné et Pesveh, et n'ont donné jusqu'aujourd'hui aucun résultat, et chaque jour les Turcs fortifient leurs positions.

Sa Majesté Impériale le Schah vous charge de faire connaître les détails ci-dessus aux Ambassadeurs d'Angleterre et de Russie, et avec leur appui faites tout votre possible afin que le Gouvernement Turc consente à l'arbitrage de ces deux Puissances, et ces discussions de frontière soient arrangées pour toujours. L'expérience nous montre que l'accord entre les deux Commissions Turco-Persanes est impossible, et les Commissaires Ottomans n'écouteront pas les propositions raisonnables. S'il n'y a pas un arbitrage, et que le Gouvernement Ottoman ne retire pas ses troupes des points qu'elles occupent sur le territoire Persan avant l'enquête mixte, ça causera un grand dommage pour les droits et intérêts du Gouvernement Persan, et les territoires qui lui appartiennent incontestablement depuis 1,000 années seront considérés comme les endroits contestés.

Votre Altesse connaît bien la situation, et je suis sûr qu'étant donné l'intérêt que vous portez aux affaires gouvernementales, et comme vous êtes toujours prêt à exécuter les ordres Impériaux, vous ferez tout votre possible que le désir de Sa Majesté Impériale dans cette affaire d'arbitrage soit accompli. Vous m'aviserez du résultat de vos démarches afin de les soumettre à Sa Majesté Impériale.

(2.)

(Traduction.)

Le 21 Septembre, 1907.

LE 6 courant son Altesse Firman Firma télégraphie que, d'après le rapport télégraphique d'Eman Gouli Mirza, Gouverneur d'Ourmié, les détails suivants:—

"Aujourd'hui les Turcs ont donné en arrenter le village de Chendji appartenant à Azimus Saltaneh, à un nommé Ahmed Chakkak, habitant Baradoste; celui-ci a mis sous scellé le dépôt de blé; d'autre part, quelques jours avant les Turcs ont donné aussi en arrenter les villages appartenant à Nazmus Saltaneh situés à proximité de la ville d'Ourmié, à Zahir Khan, et ils ont commencé à recueillir les récoltes; il se sont approprié les villages et les tribus Persans qui doivent payer au Gouvernement plus de 30,000 à 40,000 tomans d'impôts, ils invitent les autres tribus à venir sous leur protection. Ces incursions et attaques incessantes, ces immixtions dans les propriétés des tribus Persans causeront de graves effervescences parmi le peuple. Du moment qu'il était convenu de faire une enquête mixte et que Tahir Pacha est déjà arrivé sur la frontière à cet effet, pourquoi fait-on ces attaques et incursions, et commet-on ces actes illégaux contraires à tous les droits légaux du monde?"

Votre Altesse fera communiquer ces détails à leurs Excellences les Ambassadeurs d'Angleterre et de Russie, et vous ferez des démarches énergiques à la Sublime Porte pour empêcher ces graves incursions et mettre fin à ces actes arbitraires; vous demanderez énergiquement en même temps le retrait des troupes, et vous m'aviserez du résultat de vos démarches pour les soumettre à Sa Majesté Impériale.

[33256]

No. 29.

Sir N. O'Connor to Sir Edward Grey.—(Received October 7.)

(No. 641. Confidential.)

Sir,

Therapia, October 2, 1907.

IN continuation of my despatch No. 586 of the 17th ultimo, I have the honour to report that on the 30th ultimo I had a long conversation with the Grand Vizier respecting the Turco-Persian frontier question, the result of which was that his Highness begged me to make a fresh representation direct to the Sultan, which would strengthen his hands when advocating the withdrawal of the Imperial troops from the frontier places recently occupied.

I have accordingly prepared the accompanying draft of a communication which Mr. Fitzmaurice will present in Turkish to-morrow to the Grand Master of the Ceremonies, Ghalib Pasha, for direct communication to the Sultan.

I have, &c.

(Signed) N. R. O'CONOR.

Inclosure in No. 29.

Draft Note to be communicated to Ghalib Pasha for direct communication to the Sultan.

(Drafted for literal translation into Turkish.)

THE British Ambassador has recently had the honour, both in private audiences and through his dragoman, of bringing to the notice of His Imperial Majesty the Sultan the serious consequences which must result from the continued occupation by the Imperial Ottoman troops, immediately after the defeat of the force under the Persian Majd-es-Sultaneh, in the month of July, of territory in the direction of Urmia—territory which, on the basis of the *status quo*, undeniably lay on the Persian side of the frontier. It is needless to again assure His Imperial Majesty of the sentiments of friendship and complete impartiality which have actuated his Excellency in the representations which he has considered it his duty to make. The British Ambassador has no desire to see an inch of His Imperial Majesty's territory transferred to Persia, just as he is far from wishing that an inch of Persian territory should, in violation of the *status quo*, be occupied by Ottoman troops. The British Government cannot escape from its responsibility arising from its joint mediation with the Russian Government in the matter in the past and the resultant Protocol of 1869, while the recent Arrangement concluded with a third Power and based on the principle of the integrity of the Persian territory, together with the serious situation, probably entailing the most grave consequences, now prevailing in Tehran as the result of the continued encroachments in the neighbourhood of Urmia, make it imperative that, in the true interests of the two Mussulman Governments, a solution of this frontier incident on the lines of the restoration without delay of the *status quo* should be arrived at, and further intervention of the mediating Powers be thus avoided.

His Majesty's Ambassador recently received instructions the carrying out of which would cause this question to assume a more serious and international character, but, relying on the enlightened sense of justice which animates His Imperial Majesty, he has begged his Government to defer the execution of these instructions in the confident hope that when the true facts of the case are known to His Majesty immediate and strict orders will be given to his officers on this part of the eastern frontier to evacuate the villages recently occupied on the Persian side of the boundary. The action of those officers, based on the inaccurate maps and information in their possession, has led to the spread of the false impression in Persia and other eastern Mussulman countries that the Ottoman Government is acting in an aggressive way against the Mussulman Persian Government now passing through a serious internal crisis. To avoid the risk of being misinformed by possibly exaggerated statements, the British Ambassador has recently induced his Government to send to Urmia the British Consul-General at Tabreez, a man of experience and knowledge of the ways and languages of both Turkey and Persia. From information supplied by him, it appears that the only maps in the possession of Tahir Pasha are those of the late Dervish Pasha. The claims advanced by him were rejected by the International Commission, which some sixty years ago, at the request of

the Imperial Ottoman and Persian Governments, made an exhaustive study of the Eastern frontier, and laid down that the true frontier was to be found within the limits of the contested zone, and that the *status quo* of that period was not to be disturbed.

It is consequently incontestable that villages like Gangachi, Mavana, and others in the Tergaver, Mergaver, and Baradost districts (two villages in the latter district were two years ago rented by a British subject) after the withdrawal of the force under the Persian Majd-es-Sultaneh were, up to recent date, under Persian jurisdiction and ought, in the best interests of the Imperial Ottoman Government, to be evacuated without delay, especially in view of the approach of winter, whose severity in those high mountains must entail severe hardship on, if not loss of life among, the troops recently dispatched to those regions.

Impelled by his feelings of friendship and respect for the person of His Imperial Majesty, the British Ambassador begs most earnestly to urge, as the only way of avoiding a most unpleasant and awkward international solution, that His Imperial Majesty should of his own initiative at once give orders to his Commissioners on the frontier to desist from acting on the claims and pretensions of the late Dervish Pasha, and restore the *status quo* of 1869. In doing so His Imperial Majesty would be giving a further proof of the political sagacity and peaceful intentions which have always characterized his dealings with friendly neighbouring States.

The British Ambassador had thought of soliciting a private audience to lay the foregoing before His Imperial Majesty, but, in order not to weary the Sultan, has preferred to present this communication through the Grand Master of Ceremonies and Chief Interpreter of His Majesty's Imperial Divan.

[33358]

No. 30.

India Office to Foreign Office.—(Received October 7.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 1st instant, relative to the renewal of Telegraph Concessions in Persia.

India Office, October 5, 1907.

Inclosure in No. 30.

Mr. Morley to Government of India.

(Telegraphic.) P.

India Office, October 1, 1907.

TELEGRAPH Concessions in Persia.

Please see correspondence sent with letters of the 20th and 27th ultimo from Political Secretary, India Office. Cession to them of rights of His Majesty's Government over Tehran-Khanikin telegraph line has been accepted in principle by Russian Government. Latter have also stated that they have no objection to the Concessions for Kachan-Robat, Jask-Gwaddur, and Tehran-Bushire lines being prolonged for twenty years. Following telegram sent accordingly on the 27th ultimo by Foreign Office to His Majesty's Minister at Tehran:—

“Renewal of Telegraph Concessions: Your telegram No. 134.

“Persian Government may now be approached by you at such a moment as may seem to you opportune, with a view to obtaining renewal. Your Russian colleague should be informed of your action.”

[33415]

No. 31.

Mr. Marling to Sir Edward Grey.—(Received October 7.)

(No. 290.)

(Telegraphic.) P.

Tehran, October 7, 1907.

THE President of the Assembly asked confidentially, in private conversation, my personal opinion as to the advisability of resisting by arms the Turkish advance on the Turco-Persian frontier. He professed to think that Persian troops could do so successfully. I told him it would be disastrous. Although the Persian Government are most unlikely to attempt to do so, the intensity of the feeling in the country is shown by this mention of it by the President.

A popular meeting to protest against Turkish aggression was yesterday organized by the Aghas at Ispahan.

[33394]

No. 32.

Mr. Marling to Sir Edward Grey.—(Received October 7.)

(No. 291.)

(Telegraphic.) P.

Tehran, October 7, 1907.

IS it the case that His Majesty's Government have agreed to the proposed increase of the Ispahan Consulate guard, as appears to have been learnt by the Indian Government?

[33394]

No. 33.

Sir Edward Grey to Mr. Marling.

(No. 136.)

(Telegraphic.) P.

Foreign Office, October 7, 1907.

INCREASE of Consular guard at Ispahan.

Please refer to your telegram No. 291 of to-day's date.

See also my telegram No. 119 of the 16th September.

There is no change in the situation. We are still waiting for the arrival of information as to cost from India.

[32471]

No. 34.

Sir Edward Grey to Mr. Marling.

(No. 173.)

Sir,

Foreign Office, October 7, 1907.

I HAVE received Sir C. Spring-Rice's despatch No 196 of the 13th ultimo, inclosing copy of a letter which he had addressed to the Persian Government on the subject of the suspension of the sinking fund on the British loans.

If within a reasonable time you do not receive an acknowledgment from the Persian Government, you should make further representations on the subject.

I am, &c.

(Signed) E. GREY.

[33491]

No. 35.

M. Poklewski-Koziell to Sir C. Hardinge.

Cher Sir Charles,

Ambassade de Russie, Londres, le 7 Octobre, 1907.

ME référant à la conversation que Sevastopoulo a eue ce matin avec vous, je m'empresse de vous faire parvenir un Mémoire sur la question d'un emprunt personnel que le Shah voudrait faire à notre banque.

Veuillez, &c.

(Signé) S. POKLEWSKI-KOZIELL.

Inclosure in No. 35.

Memorandum respecting Personal Loan to the Shah.

L'ÉTAT d'anarchie de la Perse rendant impossible pour le Shah le prélèvement des revenus de ses propriétés, Sa Majesté se trouvant gênée, s'est adressée à notre banque pour obtenir un prêt de 150,000 tounans sur des objets précieux lui appartenant personnellement.

Le Gouvernement Impérial ne verrait pas en principe d'inconvénient à ce qu'il soit fait droit à ce désir. Mais en présence de la bonne entente survenue avec l'Angleterre et le prêt de 5,000,000 fr. précédemment consenti de moitié avec elle, le Gouvernement Impérial estimerait préférable que, cette fois encore, l'assistance à prêter au Shah le fût conjointement par les deux Puissances.

Au cas où cette combinaison aurait l'agrément du Cabinet de Londres, nous serions d'avis que l'opération fût réalisée aux conditions suivantes :—

1. La somme en question serait prélevée sur l'avance tenue prête de 5,000,000 fr., et serait faite, non sur des objets précieux, mais sur de l'or.
2. Elle serait payée, non en entier, mais par versements successifs, selon les convenances de la caisse.
3. Le taux de l'intérêt ne serait pas inférieur à 9 pour cent.
4. Le remboursement aurait lieu dans un délai qui ne dépasserait pas six mois.
5. Le calcul se fera en francs.

Chesham House, le 21 Septembre (7 Octobre), 1907.

[33474]

No. 36.

India Office to Foreign Office.—(Received October 8.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 3rd instant, relative to the renewal of Telegraph Concessions in Persia.

India Office, October 7, 1907.

Inclosure in No. 36.

Mr. Morley to Government of India.

(Telegraphic.) P.

India Office, October 3, 1907.

TELEGRAPH Concessions in Persia. My telegram dated the 1st October.

Foreign Office telegraphed as follows on 1st instant to His Majesty's Minister at Tehran :—

" 131. We concur in proposals regarding renewal of Telegraph Concessions made in your telegram No. 282."

His Majesty's Ambassador at St. Petersburg has been informed accordingly.

[33472]

No. 37.

India Office to Foreign Office.—(Received October 8.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 4th instant, relative to the appointment of Military Attaché at Meshed.

India Office, October 7, 1907.

Inclosure in No. 37.

Mr. Morley to Government of India.

(Telegraphic.) P.

India Office, October 4, 1907.

MILITARY Attaché, Meshed. Your telegram dated the 2nd October.

Pending receipt of further orders, Captain Smyth may be retained for further period of six months.

[33524]

No. 38.

Mr. W. D'Arcy to Sir C. Hardinge.—(Received October 8.)

Dear Sir Charles,

Bylaugh Park, East Dereham, October 6, 1907.

WILL you forgive my writing you privately in pursuance of the conversation we had on Friday.

At that meeting I was at a very great disadvantage, as I had had a very bad time with the dentist, whom I had to see to come to you at all, and I am afraid I must have explained myself to you very badly and been very incoherent.

What we really want is some expression from the Government which will show the inhabitants of that part of Persia that our enterprise and work is under the Government's protection and support.

This could be done in a variety of ways. For instance:—

The Government might address a special appeal to the loyalty of the Bakhtiari Khans to act up to their undertaking, and this could be followed up by sending and keeping at Ahwaz a Government boat.

Captain Lorimer could have his escort largely increased, retaining for the time his present escort, and that with them he should go and visit Reynolds at Ram Hormuz.

That a body of men from India should be lent to the Oil Company with a European in charge who would be specially charged to guard the works at Ram Hormuz.

In my opinion the combination of the stationing a boat at Ahwaz, together with the visit of Captain Lorimer to Reynolds, would be the most efficacious.

Of course the above methods may be impossible, and if they are you must pardon me for, in my ignorance, suggesting them, but what I so strongly feel is that, in the face of Captain Lorimer's Report and the publication of the Anglo-Russian Agreement, it is absolutely necessary that some strong line should be taken, as it is, I think, certain that some of our friends in German interests are sure to draw the Bakhtiari Chiefs' notice to the fact that they are outside our sphere of influence, and this is likely to make them slacker than ever.

I am of course aware that any step the Government may take, some time must elapse before it is taken, but this could be cured by letting the Khans know that it was going to be taken.

I must apologize for addressing you at this length—or at all—and I leave the matter in your hands.

Pray do not trouble to answer or even acknowledge this, as I really only wanted to put myself right with you for my shortcomings the other day.

Yours, &c.

(Signed) W. K. D'ARCY.

[33506]

No. 39.

Sir N. O'Connor to Sir Edward Grey.—(Received October 8.)

(No. 133.)

(Telegraphic.) P.

Constantinople, October 7, 1907.

MY despatch No. 641 of 2nd October: Turco-Persian frontier.

I saw the Grand Vizier to-day, and he told me that the Memorandum which I had prepared for presentation to the Sultan on the 4th instant (see my despatch No. 641 of the 2nd instant) had produced a profound impression. His Majesty had summoned him and the Ministers of War and Foreign Affairs, as well as Izzet Pasha, to meet and to furnish him with a report on the facts set forth in my Memorandum. At this

meeting they convinced Izzet Pasha that the Porte had accepted the Anglo-Russian map, which ought, therefore, to be the basis of their inquiry. His Highness also told me that the advance of the Turkish troops has been stopped, and he authorized me to tell you that he felt sure that a satisfactory result would be arrived at within a few days. I have telegraphed as follows to Mr. Wratislaw at Urumia, repeating it to Tehran:—

“On the 4th instant I sent a Memorandum to the Sultan, in which I protested strongly against the Turkish encroachments, and pointed out that Dervish Pasha's map must be repudiated as absolutely unacceptable, the Anglo-Russian map being taken as the basis of negotiation.

“A Council of Ministers has reported favourably on the matter, and the Grand Vizier says that a satisfactory result may be looked for.

“Instructions have been sent to Tahir Pasha to meet you as soon as possible. You will then have an opportunity of carrying out the instructions contained in the last paragraph of my telegram of the 5th instant” (my telegram No. 132 of the 5th instant to the Foreign Office).

[33576]

No. 40.

Mirza Mehdi Khan to Sir Edward Grey.—(Received October 9.)

Sir,

Persian Legation, London, October 8, 1907.

I HAVE the honour to inform your Excellency that His Imperial Majesty the Shah, my august Sovereign, has been graciously pleased to reappoint Prince Ala-os-Saltaneh as his Minister for Foreign Affairs.

I have, &c.
(Signed) MEHDI.

[33633]

No. 41.

Sir A. Nicolson to Sir Edward Grey.—(Received October 9.)

(No. 213.)

(Telegraphic.) P.

St. Petersburg, October 9, 1907.

I AM informed by Acting Minister for Foreign Affairs that Shah desires to obtain an advance from Russian Bank at Tehran for personal expenses and would deposit jewellery as guarantee. M. Goubastoff said he believed that nothing had been said to Assembly, and that Shah wished matter kept private.

In telegraphing on the subject to the Russian Chargé d'Affaires in London, his Excellency had added that Russian Government did not wish to make the advance without the co-operation of His Majesty's Government.

[33610]

No. 42.

Mr. Marling to Sir Edward Grey.—(Received October 9.)

(No. 292.)

(Telegraphic.) P.

Tehran, October 9, 1907.

THE Russian Legation says that three battalions of Turkish troops are telegraphically reported by the Russian Consul at Kasri Shirin to have crossed the frontier near Khanikin. The British Consuls at Bagdad and Kermanshah cannot confirm this news. The Persian Government had, however, similar information last Thursday.

[33659]

No. 43.

India Office to Foreign Office.—(Received October 10.)

Sir,

India Office, October 9, 1907.

IN reply to your letter of the 30th ultimo, I am directed to say that Mr. Secretary Morley is of opinion that His Majesty's Minister at Tehran should be instructed to address an official communication to the Persian Government on the subject of their

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failure to pay the interest due on the loans made by His Majesty's Government, and of the diversion of the revenues of the Bushire customs to other purposes. Further action must depend on the reply of the Persian Government. Mr. Morley would not recommend at present that practical steps should be taken to enforce immediate payment, but he thinks it should be made clear to the Persian Government that they expose themselves to such steps unless they fulfil the condition on which, as laid down in Sir E. Grey's telegram No. 102 of the 28th August last, His Majesty's Government agreed to the suspension of the sinking fund, viz., that a serious effort is made by the Persian Government to place the national finances in order.

I am, &c.
(Signed) A. GODLEY.

[33693]

No. 44.

Mr. Marling to Sir Edward Grey.—(Received October 10.)

(No. 293.)

(Telegraphic.) P.

Tehran, October 10, 1907.

AN "Inspecteur des Finances," named M. Bissot, has been appointed Financial Adviser by the French Government.

The French Minister here argues that he will be placed under the direction of the French Legation by the contract, draft of which he has submitted to be signed here between the Minister for Foreign Affairs and himself. The terms of the draft contract are very open, being merely to the effect that M. Bissot is placed for two years at the disposal of the Persian Government by the French Government to advise on questions, whether external or internal, of financial reform. As the Assembly found great hopes on the Adviser's arrival for the establishment of the National Bank, M. de la Martinière thinks no mention can be made of it, but suggests that, in order to secure the conditions mentioned in Sir A. Nicolson's telegram No. 171 of the 28th August, the French Government furnish M. Bissot with a letter of general instructions (*lettre de service*), stating that he must on all matters consult Russian and British Legations, and that he is under the general instructions of the French Legation.

The opposition of the German Government, as towards tendency to triple financial control, may be aroused when the arrangement becomes known.

[33491]

No. 45.

Foreign Office to India Office.

Sir,

Foreign Office, October 10, 1907.

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a letter from the Russian Chargé d'Affaires at this Court, inclosing copy of a Memorandum inviting the co-operation of His Majesty's Government in making a small personal loan to the Shah, who has recently applied for it to the Russian Bank at Tehran.³

I am further to transmit to you the draft of a Memorandum which Sir E. Grey proposes, with the concurrence of Mr. Secretary Morley, to hand to M. Poklewski in reply to his communication, stating the reasons which preclude His Majesty's Government from participating in this loan.[†]

I am to add that Sir E. Grey would be glad to receive an early expression of Mr. Morley's views on this question.

I am, &c.
(Signed) LOUIS MALLET.

[32784]

No. 46.

Foreign Office to India Office.

Sir,

Foreign Office, October 10, 1907.

I AM directed by Secretary Sir E. Grey to transmit to you the accompanying three copies of a map of the Turco-Persian frontier.*

One copy has already been furnished to your Department.

On this map the limits of the frontier zone, as laid down by Colonel Williams and Colonel Tchirikoff in 1852, and placed on record in the "Identical" map of 1869, are indicated in green. The approximate frontier *status quo* of 1904 is shown by a dotted chain line.

A copy of the map has been forwarded to His Majesty's Consul-General at Bagdad.

I am, &c.
(Signed) LOUIS MALLET.

[26039]

No. 47.

Foreign Office to Persian Transport Company.

Sir,

Foreign Office, October 10, 1907.

I AM directed by Secretary Sir Edward Grey to inform you that a copy of your letter of the 17th May last, relative to the claim of your Company against the Bakhtiari Khans for sums due on account of the construction of the Ahwaz-Ispahan road, was forwarded to His Majesty's Minister at Tehran with the request that he would furnish his observations on the demands therein put forward, and that he would at the same time take any action which he might consider desirable in the circumstances.

I am to state that Sir E. Grey has now received and considered a despatch from Sir C. Spring-Rice on this subject, and I am to offer the following observations on the statement of account forwarded in your letter under reply:—

With regard to the first account submitted by your Company, which is one of expenses incurred for inspection and repairs to the bridges on the Bakhtiari road between Ahwaz and Ispahan, Sir E. Grey observes that interest is claimed on these unsettled accounts at the rate of 12 per cent. In the absence of any special arrangement, there would seem to be no reason why a higher rate should be claimed than that fixed in Article 2 of the Agreement for the original cost of construction, and Sir E. Grey is therefore unable, in forwarding this account for presentation to the Khans, to sanction the calculation of interest at a higher rate than that of 6 per cent.

There will probably be considerable difficulty in obtaining the Khans' acceptance of the charges for repairing and painting the bridges in 1904, in view of the fact that they reach a much higher figure than the corresponding accounts for the two preceding years.

Sir E. Grey considers that no exception can reasonably be taken to the several items of this account, with the possible exception of the expenses of Mr. Barlow's journey to Chakhar, and he is accordingly willing that its payment should be urged upon the Khans, but he would not feel justified in requiring them to pay interest on this particular bill, which Sir E. Grey understands has never been presented to them.

With regard to the second account, for instalments and interest due by the Bakhtiari Chiefs on 3,000*l.* up to the 3rd March, 1907, I am to point out that His Majesty's Government have, as your Company are aware, already repeatedly declared their inability to press this claim on the Khans on the general ground that the expenditure of the sum referred to, over and above the estimated cost of construction, was incurred in contravention of the Company's undertakings. He is therefore unable to sanction the presentation of this claim through His Majesty's Legation at Tehran.

With regard to the third account, showing the amount due for instalments and interest by the Bakhtiari Chiefs up to the 3rd March, 1907, as 5,500*l.*, Sir E. Grey observes that it is reckoned in sterling, whereas the previous account sent in to the

Khans on the 6th April, 1904, was calculated, in Persian currency, on the basis of a total capital indebtedness of 30,000 toman, it having been agreed that this sum should be regarded as the equivalent of 5,500*l*. Sir E. Grey is not aware of any reason for altering this arrangement, and proposes to adhere to it in the present instance.

I am further to point out that, in this statement of account, your Company again claim interest on arrears at the rate of 12 per cent., although, as they are aware, His Majesty's Government have already declared their inability to press for interest on arrears at a higher rate than that mentioned in the contract.

I am accordingly to inform you that Sir C. Spring-Rice has been authorized by telegraph to present officially to the Khans the first and third accounts, with the modifications outlined above, and that His Majesty's Consul at Ahwaz has been supplied with a copy of the claims in the form in which they have been presented with instructions to conduct such negotiations with them as may be necessary.

With regard to the complaint contained in the fourth paragraph of your letter of the 17th May, relative to the place of payment of the last instalment, I am to point out that the Bakhtiari Khans have now opened an account at the Imperial Bank of Persia at Ispahan, and that they are in the habit of transacting all their pecuniary business at that place, and I am to inquire whether, in view of this fact, your Company would feel inclined to make a concession on this point and waive the right which they possess in virtue of Article 2, paragraph 3, of the Agreement of the 3rd March, 1898, of receiving payment of interest and instalments of capital at Ahwaz, a proceeding which is a source of inconvenience to the Khan.

I am, &c.
(Signed) LOUIS MALLET.

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No. 48.

Foreign Office to Persian Transport Company.

Sir,

Foreign Office, October 10, 1907.

WITH reference to Sir Francis Campbell's letter of the 21st May last relative to certain suggestions made by your Company in connection with the management of the Bakhtiari road, I am directed by Secretary Sir Edward Grey to transmit to you herewith an extract from a despatch from His Majesty's Minister at Tehran,* giving his opinion on these proposals, and forwarding a copy of a Memorandum drawn up by His Majesty's Vice-Consul at Ahwaz explaining a misunderstanding which appears to have arisen regarding remarks previously made by him as to the relations existing between your Company's local agents and the Bakhtiari Khans.

I am, &c.
(Signed) LOUIS MALLET.

[33758]

No. 49.

India Office to Foreign Office.—(Received October 11.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, and with reference to the letter from the India Office of the 18th ultimo, copy of inclosures in letters from the Foreign Secretary to the Government of India, dated the 5th September, relative to the recent assault on Meshed sowars by Baluch sowars employed by the Persian Customs.

India Office, October 10, 1907.

* See Part XI, No. 142

Inclosure 1 in No. 49.

Sir C. Spring-Rice to Government of India.

(Telegraphic.) P.

Tehran, August 24, 1907.

A TELEGRAM to following effect has been sent to Seistan, as to the attack on the Meshed sowars:—

"It is denied by the Customs Administration that their men were in fault. Persian Government have asked to be furnished with full particulars, which should be supplied to me with as little delay as possible."

My telegram has been repeated to Meshed.

Inclosure 2 in No. 49.

Consul Kelly to Government of India.

(Telegraphic.) P.

Seistan, August 23, 1907.

PLEASE see your telegram No. 384. On the night of the 31st July the relieved Meshed escort reached Seistan. Reports of the Jemadar is that early on morning of the 30th July, on arriving at Labi-Baring, an advance party consisting of four men under a lance-naik were ejected forcibly by Baluchi servants of the Customs from the serai. When the Jemadar arrived at the serai, he received an apology from the Customs Mirza for the behaviour of the servants, and, as the Mirza took his meals with the Jemadar, the matter seemed to be settled. The party proceeded to the edge of the Hamun on the night of the 30th. Here they were delayed for twelve hours, as Tutinchis were prevented by Customs sowars from transporting the party to the opposite bank.

I complained to Kargusar of the action of the Customs officials, both at the serai and subsequently at the edge of the Hamun, and arranged crossing of party from here. Counter-charge was brought by Customs officials, who stated that an assault had been made by escort sowars on the Mirza and servants at Baring, and that two of the servants had received wounds from lances. Lances were not carried by the escort. I have examined the two men who are alleged to have received wounds, and I consider the wounds, which are merely scratches, to have been fabricated. British subjects have been treated with incivility at this serai on previous occasions, and, in my opinion, the object of the counter-charge brought by the Customs officials is to weaken our complaint against them.

I am sending a detailed report by post. The matter has now been referred to Tehran.

Inclosure 3 in No. 49.

Sir C. Spring-Rice to Government of India.

(Telegraphic.) P.

Tehran, August 31, 1907.

A TELEGRAM to following effect has been sent to His Majesty's Consul, Seistan, and repeated as No. 74 to Meshed:—

"A strong remonstrance with regard to the attack on sowars has been made by me to the Minister for Foreign Affairs, and a promise of immediate punishment of offenders has been given by Atabeg. You should communicate to me any further information you may receive."

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No. 50.

India Office to Foreign Office.—(Received October 11.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 7th instant, relative to the situation in the Bakhtiari country.

India Office, October 10, 1907.

Inclosure in No. 50.

Mr. Morley to Government of India.

(Telegraphic.) P.

India Office, October 7, 1907.

AHWAZ. My telegram of the 19th September.

Early reply is pressed for by Foreign Office. They consider it desirable, in view of the dangerous situation of the staff of the Oil Concessions Syndicate, that the "Comet," which is now presumably at Bagdad, should, with the least possible delay, visit Ahwaz and show the British flag. Unless you have any observations to offer, please issue necessary instructions accordingly.

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No. 51.

Sir Edward Grey to Mr. Marling.

(No. 137.)

(Telegraphic.) P.

Foreign Office, October 11, 1907.

PLEASE refer to telegram No. 279 of the 27th September from Sir C. Spring-Rice

An official communication may be addressed to the Persian Government in the sense suggested, and you may remind them of the condition (as stated in my telegram No. 102 of the 28th August, last paragraph) under which we consented to the suspension of sinking fund.

[33831]

No. 52.

Sir N. O'Connor to Sir Edward Grey.—(Received October 12.)

(No. 137.)

(Telegraphic.) P.

Constantinople, October 11, 1907.

TURCO-PERSIAN frontier.

I have sent the following telegram to Mr. Wratislaw, repeating it to His Majesty's Minister at Tehran:—

"I have just received a visit from a high Palace official, charged with a message from the Sultan to the following effect: that Tahir Pasha telegraphed yesterday to say that he had met you, accompanied by a British missionary, at Mowana; that you had expressed yourself as satisfied with his statement regarding the excesses said to have been committed by Turkish troops; and that he intended to meet you and the Russian Vice-Consul again shortly.

"The message contained no allusion either to the withdrawal of the Ottoman troops or to the question of the frontier.

"I requested His Majesty's messenger to impress on him most earnestly how vitally important it was that he should order the withdrawal of his troops from Persian territory while it was still possible for him to do so of his own free will.

"It is quite essential that you should succeed in convincing Tahir Pasha that the map made by Dervish Pasha can never be accepted, and that he should report

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No. 51*.

Sir C. Hardinge to Mr. W. K. D'Arcy.

Dear Mr. D'Arcy,

Foreign Office, October 11, 1907.

IN reply to your letter of the 6th relative to the dangerous situation of the employes of the Oil Concessions Syndicate in Persia, I hasten to tell you what has already been done and what more we can see our way to do in order to insure their safety and allay their fears.

Your letter contains five suggestions as to measures which might be taken to attain this object:—

1. A special appeal from His Majesty's Government to the loyalty and honesty of the Bakhtiari Khans.
2. The dispatch of a Government boat to Ahwaz.
3. The increase of the Ahwaz Consular escort.
4. A visit from Captain Lorimer to Mr. Reynolds at Ram Hormuz.
5. The dispatch from India of a special body of men with a European in charge to guard the works.

Of these suggestions you consider that the second and the fourth are likely to prove the most effective.

With regard to your first proposal, I fear that no appeal is likely to rouse the Khans to a sense of their obligations, and that they are not amenable to any influence of a purely moral nature.

The fifth proposal also appears to me objectionable from a political point of view, since the passage of any considerable body of men through Persia, beyond the ordinary reliefs for the various Consular escorts, could not fail to arouse susceptibilities and mistrust.

We have already taken steps and hope to be able to give effect to the second and third suggestions (the former as the result of our conversation of last Friday and the latter some time previously), and as soon as the increase of the Ahwaz guard is arranged, Captain Lorimer will receive instructions to proceed to Ram Hormuz unless there should be any local objection to his doing so.

I am, &c.
(Signed) CHARLES HARDINGE.

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accurately to the Sultan the places previously under Persian jurisdiction which have recently been occupied by the Turks. You might also say that, in the present troubled state of the Eastern Provinces of the Ottoman Empire, there is danger of disorders on the frontier spreading westwards.

"If his Excellency has the courage to report in the sense indicated above, he will save his master from very serious difficulties."

[33974]

No. 53.

Sir A. Nicolson to Sir Edward Grey.—(Received October 14.)

(No. 504.)

Sir,

St. Petersburg, October 4, 1907.

I INFORMED M. Goubastoff verbally this afternoon of the substance of your telegram No. 132 to Sir N. O'Connor, and I inquired of him whether he had received any news from Tehran or Constantinople as to the recent developments of the situation on the Turco-Persian frontier. He said that neither M. de Hartwig nor the Persian Chargé d'Affaires nor M. Zinovieff had within the last days communicated anything on the subject, though the Russian Government were well aware that Ottoman troops had occupied localities undoubtedly within undisputed Persian territory. He was sure that M. Zinovieff would gladly co-operate with Sir N. O'Connor in any steps which the latter might take with the view of inducing the Sublime Porte to withdraw their troops, but that M. Zinovieff had no expectation that any representations would have any effect, as the Sultan appeared to be guided solely by his military advisers, and to have made up his mind not to cause his troops to retire. The Ottoman Government invented various pretexts to avoid giving any decided reply to remonstrances, and it would seem that mere verbal representations would be disregarded.

I asked M. Goubastoff if M. Zinovieff had made any suggestions as to what alternative course could be taken to procure the withdrawal of the Ottoman troops if representations were to remain without any results. His Excellency said that the Ambassador had made no proposals, but that he himself considered that the moment could advantageously be utilized to show clearly to the Persian Government that both Russia and Great Britain intended to see that the integrity of Persia should be respected. I asked in what manner this could be effected; and he said that perhaps a demonstration in the Persian Gulf might produce an impression. I presume that he meant a demonstration by a British naval force; but I observed to him that it seemed to me that such a measure would have little effect on Constantinople. It would also be very possibly misinterpreted in Persia. He remarked that perhaps Persia might occupy in retaliation a portion of Ottoman territory; but this I said would be beyond the power of Persia, with her paucity of troops and want of funds. Moreover, she would be placing herself also in the wrong. In short, M. Goubastoff had no practical proposal to make.

I have, &c.

(Signed) A. NICOLSON.

[33982]

No. 54.

Sir A. Nicolson to Sir Edward Grey.—(Received October 14.)

(No. 513.)

Sir,

St. Petersburg, October 9, 1907.

M. GOUBASTOFF informed me to-day that he had telegraphed to M. Poklewski that the Shah desired an advance of 150,000 tomans from the Russian Bank to meet some personal expenses, and that His Majesty was ready to deposit as security some jewelry in the bank. He added that the Russian Government did not wish to make this advance without the co-operation of His Majesty's Government, and he had, therefore, instructed M. Poklewski to ascertain your views on the matter.

I asked M. Goubastoff whether the Assembly had cognizance of this desire of the Shah, and he replied that he believed that His Majesty wished to keep the matter

private, as it was a purely personal one, and had not, therefore, taken the Chamber into his confidence. He did not seem to consider that the amount was such as would enable the Shah to utilize it for purposes of a political nature.

I have, &c.
(Signed) A. NICOLSON.

[34083]

No. 55.

India Office to Foreign Office.—(Received October 14.)

Sir,

India Office, October 12, 1907.

I AM directed by Mr. Secretary Morley to inclose, for the consideration of Secretary Sir E. Grey, a copy of a letter from the Government of India in the Foreign Department, dated the 12th September, 1907, on the subject of two acts of organized piracy committed by Arabs residing at Dayir, on the Persian coast.

In the one case the crew of a Persian boat, consisting of six persons, were all murdered, with the exception of one boy, who escaped. In the other, the murdered persons were the crew and passengers of a Koweiti boom numbering twenty-nine in all.

The Government of India recommend that a strong representation should be made to the Persian Government with a view to securing the capture and punishment of the offenders and full pecuniary reparation for the sufferers in the Koweit case, and they further suggest that the Persian Government should be informed that, failing compliance with the demands of His Majesty's Government within a stated time, suitable naval action will be taken at Dayir. It is possible that such action might involve the entering of Persian territorial waters and the landing of men upon the Persian coast.

It seems clear that effective action is required to prevent the repetition in the Persian Gulf of such acts as those which have taken place, and Mr. Morley would be glad to learn the views of Sir Edward Grey as to the suitability of the proposals of the Government of India. The suggestion of the Sheikh of Koweit that he should employ an armed dhow for the protection of his vessels is doubtless inadmissible.

I am, &c.
(Signed) COLIN G. CAMPBELL.

Inclosure 1 in No. 55.

Government of India to Mr. Morley.

(Secret.)

Sir,

Simla, September 12, 1907.

WE have the honour to forward herewith a copy of correspondence with the Political Resident in the Persian Gulf on the subject of two acts of serious and brutal piracy committed by Arabs residing at Dayir, a place on the coast of Persia about 100 miles south of Bushire.

2. In November 1906 the pirates attacked a native boat belonging to the Persian port of Shivoh, between Keis Island and Taona. They killed all the crew except one boy, who escaped after being left for dead, and seized the cargo, which was valued at 6,000 rupees. In January 1907 the pirates captured a Koweit boom sailing from Bussorah to Koweit. After murdering the crew and passengers, who numbered twenty-nine, they carried off the cargo and abandoned the boom, which was subsequently found stranded on the Island of Amair.

3. The Political Resident made representations on the subject of the first piracy to the Derya Begi, but as they produced no result he telegraphed to the Minister at Tehran and informed him of what had happened. At the same time he requested the Senior Naval Officer in the Persian Gulf to proceed to Dayir and make inquiries. The local authorities at Dayir, when questioned by Captain Bowman, denied all knowledge of the piracy, but from information subsequently received it appears that on the very day when the "Sphinx" called at Dayir the Chief of the pirates was in Dayir and was

staying with the Khan of that place. On the 16th June, 1907, His Majesty's Minister informed the Resident that he could hold out no hopes that useful action would be taken by the Persian Government in the matter at present.

4. It is true that in the first place the victims were Persian subjects, and that it might be supposed that the Persian Government would themselves take steps to secure redress for their own subjects from the pirates residing within their jurisdiction. The British Government have, however, acknowledged a general obligation for the preservation of the maritime peace of the Gulf, and it is their object to secure the suppression of piracy in Gulf waters. It would therefore, in our opinion, be our duty, even if British interests or the interests of British-protected persons were not primarily concerned, to take all possible action with a view to scattering the Dayir gang. And in the case of the second offence we consider that we are under a special obligation in this instance, because some subjects of the Sheikh of Koweit to whom we are bound, under the Agreement of the 23rd January, 1899, to extend our good offices have been robbed and murdered by the pirates.

5. We would accordingly venture to recommend that a strong representation should be made to the Persian Government with a view to secure the capture and punishment of the offenders and full pecuniary reparation for the sufferers in the Koweit case. In view of the offence committed against their own subjects, the Persian Government should presumably be only too ready to co-operate with us against the offenders. But as it appears certain that no representations to the Persian authorities, whether made locally or at Tehran, are likely either to secure satisfaction for the offences which have been committed or to prevent a recurrence of such crimes in the future, we would suggest that the Persian Government should be informed that, failing compliance with the demands of His Majesty's Government within a stated time, suitable naval action will be taken at Dayir.

6. If our proposal is approved, it is quite possible that, in order to clear out the pirates, it may be necessary for the naval authorities not only to enter Persian territorial waters, but also to land men on the Persian coast. We are aware that the Persian Government in 1903, with reference to an encounter between certain pirates, who had organized a surprise attack on Koweit, and the sailors of His Majesty's ship "Lapwing" protested against the adoption of this course, but the Minister at Tehran was on that occasion directed by His Majesty's Government to inform the Persian Government that the Commanders of His Majesty's ships, whilst they would always be careful to respect the sovereign rights of Persia, and to co-operate to the utmost of their ability with the local authorities, must, in the absence of any effective Persian naval force, retain their freedom to take at their discretion and on their responsibility, even within Persian territory, such measures for the repression of piracy as the urgency or gravity of any particular case might seem to them to warrant. The Persian Government were reminded that the security from pirates enjoyed by the population both on the Persian and opposite Arab coasts was entirely due to the past efforts of the British navy, and they were informed that the British Government had entered into special compacts on this subject with the Trucial Chiefs, and that they could not engage to give any new orders to the Commanders of British vessels which would tend to restrict the efficiency of their action in maintaining the maritime peace in the Gulf. It was also pointed out that the Persian Government's demand was hardly consistent with the fact that in 1897, with the object of suppressing the traffic in arms, they had given permission for His Majesty's steam-ships to search merchant-vessels in Persian waters, and to confiscate any arms and ammunition intended for Persian ports which might be found on board.

7. In March 1904 the claim of the British Government to take measures even on Persian territory for the suppression of piracy was once more enforced, when Sir N. O'Connor reported to the Marquess of Lansdowne that a serious case of piracy on the Shatt-el-Arab had been perpetrated on a British Indian sailing-vessel laden with dates. He stated that His Majesty's Consul at Bussorah had reason to believe that the stolen property was hidden in the pirates' huts at Abkatch, on the Khor Hindian Persian coast of the Shatt-el-Arab, and suggested that the "Lapwing," then at Koweit, should be instructed to search the place. Instructions were issued to the Commander of His Majesty's ship "Lapwing," and a search was accordingly made in Persian territory, but without success.

8. In view of these precedents, His Majesty's Government would doubtless not be disposed to consider any protest that the Persian Government might make regarding action taken by us against the pirates, and naval action in an outlying part of Persian territory on the Gulf, with the active assistance or consent of the Persian authorities, ought not unduly to excite the susceptibilities of other Powers.

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9. The most cogent reason in favour of immediate action in the present case is to be found in the fact that the Sheikh of Koweit has asked, with reference to the piracy committed on his subjects, that the Government of India will concur in his employing a heavily-armed dhow to protect his vessels plying between Koweit or Bussorah and Persian ports.

We consider that this proposal should be negatived, since, if the Sheikh, with our consent and assistance, dispatched an armed dhow to parade the Gulf, the Turks might regard it as a symptom of his growing independence, and they might complain of a disturbance of the *status quo*. Again, the Persian Government might consider the move to be a sinister one, especially having regard to the fact that Mubarak has recently rendered armed assistance to the Sheikh of Mohammerah. Finally, the policing of the Persian Gulf by Mubarak would amount to an infringement of our prerogative, and therefore, in accordance with established policy, could not be allowed. But it is evident that if we were to forbid the Sheikh to take steps for the protection of his subjects, and were at the same time to take no effective steps ourselves, we should inevitably arouse his resentment. On the other hand, if we succeeded in securing reparation for the attack on Mubarak's subjects, this fact would afford an important demonstration of our will and power to protect his interests. We should thus, while confirming the Sheikh's allegiance to us, conclusively establish our claim to protect his subjects, whether in Persia or elsewhere. We trust, therefore, that the adoption of the measures proposed in paragraph 5 of this letter may be authorized.

We have, &c.
(Signed) MINTO.
KITCHENER.
H. ERLE RICHARDS.
E. N. BAKER.
C. H. SCOTT.
H. ADAMSON.
J. F. FINLAY.
J. O. MILLER.

Inclosure 2 in No. 55.

Extract from the Diary of the Persian Gulf Political Residency for the week ending December 16, 1906.

Lingah.

December 6, 1906.—The Residency Agent, Lingah, has received a letter from Sheikh Abdullah-bin-Muhammad Bushri, Chief of Taona, informing him of an act of piracy committed about the middle of November last on a Shioh boat by some Arabs temporarily residing either at Dayir, Kangoon, or Um-el-Kurm, but said to have been expelled from their homes by Sheikh Khazal of Mohammerah. The boat was attacked while she was between Keis Island and Taona, and the pirates severely wounded and threw overboard her crew, numbering six, took all the cargo, valued at 6,000 rupees, and left after scuttling the vessel. The incident came to light through one of the wounded crew who was carried ashore near Taona. The Derya Begi's attention has been directed to the matter.

Inclosure 3 in No. 55.

Major Cox to Government of India.

(Telegraphic.)

Bushire, June 16, 1907.

PLEASE see my diary entry of the 6th December, 1906. In defiance of pressure from His Britannic Majesty's Minister, Tehran, and myself here, no serious action has been taken by Persian authorities, and the Fars and Bushire Governments continue to shift responsibility for maintenance of order in Dashti district from one to the other. Meanwhile another case of piracy with wholesale murder has just come to light, perpetrated some time ago on a Koweit dhow and alleged on good grounds to have been committed by the same gang. In this connection Sheikh of Koweit writes urging that

the authorities of Dashti should be called upon to hand the pirates over to justice, their habitat and identity being, he declares, notorious.

(Sent to the address of the Foreign Department; telegram repeated to His Britannic Majesty's Minister, Tehran.)

Inclosure 4 in No. 55.

Major Cox to Government of India.

(Telegraphic.)

Bushire, June 16, 1907.

PLEASE see my telegram of the 16th instant.

Sheikh Mubarak further asks that the Government of India will concur in his employing a heavily armed dhow to protect his dhows plying between Bussorah or Koweit and Persian ports, and that no objections may be raised to his dealing direct with piracies, if any are encountered. Such a vessel must, to be of any use, operate, if necessary, in territorial waters and creeks, and in any case I think that it would be difficult to prevent it from doing so. But, apart from this, the Government of India will probably consider that the same objections exist as were held to exist with regard to a similar application which emanated from the Sheikh of Bahrein. If, however, we oppose Mubarak's proposal, we should obviously insist on the Persian Government taking adequate measures to suppress the gang and see that such measures are satisfactorily carried out.

I doubt the ability of the present Governor to take effective measures, and at present he does not admit that he has the jurisdiction to do so. If, however, he receives peremptory orders and the means to carry them out, I will endeavour to keep him up to the mark.

Repeated to Sir C. Spring-Rice.

Inclosure 5 in No. 55.

Major Cox to Government of India.

(Telegraphic.)

Bushire, June 16, 1907.

I HAVE received the following telegram, dated the 16th June, from the Minister at Tehran, who requests me to repeat it to you:—

"Please see your telegrams Nos. 92 and 94. I can hold out no prospect of useful action on the part of the Persian Government against piratical gangs."

Inclosure 6 in No. 55.

Major Cox to Government of India.

(Confidential.)

Bushire, June 23, 1907.

IN continuation of my telegram dated the 16th June, 1907, I have the honour to forward copies of Major Knox's letter and accompaniment on which it was based

A copy has not been forwarded to His Majesty's Minister at Tehran.

Inclosure 7 in No. 55.

Major Knox to Major Cox.

(Confidential.)

Koweit, June 6, 1907.

I HAVE the honour to inform you that Sheikh Mubarak has approached me with a proposal to equip a boom for the pursuit of the sons of Hamaidi.

2. I informed the Sheikh that, while I felt sure that the Government would appreciate to the full his offer to co-operate in the suppression of these pests, it occurred to me that there might perhaps be difficulties to prevent their acceptance thereof, especially if the boom, to effect their object, had to enter Persian or Turkish ports, and that it would be advisable to consult the Resident before taking action. The Sheikh replied that he had not thought of entering ports, but proposed to effect the capture either in the open sea or to follow them in the Khor-i-Hindian, where he seemed to think there was a chance of the pirates taking refuge. He agreed that it was necessary

to consult you first, and I asked him to be good enough to put his proposal in writing. That proposal I have now the honour to submit, and to request the favour of early instructions as to the reply to be given to the Sheikh.

Reference letter dated the 22nd May, 1907, from the Political Agent, Koweit, to the Political Resident in the Persian Gulf.

Inclosure 8 in No. 55.

Sheikh Mubarak-us-Subah to Major Knox.

(Translation)
(After compliments.)

22 Rabi-uth-thani, 1325 H.

WE informed you that the boom of Ali-bin-Fathala, of our subjects the people of Koweit, five months ago loaded up from Bussorah date baskets and passengers of the people of Koweit, both male and female, and left for Koweit. The aforesaid boom was lost. It was conjectured that she had been wrecked by the winter gales. After sixty days news came that the boom had grounded on the Island of Amair, and her mast and yards still standing, and they saw in her blood, and we sent the owner of the boom to the aforesaid boom, and he also saw in her much blood, and we did not know what had happened to them. After that, Nakhoda Abdulla, of the people of Kharj, informed us that, from the talk of the people of Dayir to him in Bahrein, the children of Hamaidi had taken away the boom, when at anchor at the buoy, and had killed all the people in her, and had taken all her property and the cargo in the boom and had abandoned her, so that she grounded at the Island of Amair. And the sons of Hamaidi are notorious; they are all dwelling in Dayir, and a source of profit to the Ruler of that place. We have sent Haji Abdulla, of Kharj, to you, and he has informed you verbally. We hope that you will acquaint the Resident of this occurrence.

And the sons of Hamaidi are pirates, well known and banished by Sheikh Khazal and the Bussorah Government. It is incumbent on the Ruler of Dayir that he should seize these men and hand them over to the British Government. There will be loss to our subjects from such killing and plunder. Also, if the Government grant me permission, I will send a boom, and in her sufficient strength to protect our boats which go to Bussorah and the ports of Paris. Then, if they see the aforesaid pirates, they will fight them. Without the orders of Government we can do nothing, and our subjects are in the protection of Government, and such a loss has befallen them, and we are sure that the pity of Government will not permit this, for our subjects are in the protection of Government. And may you remain safe and friendly.

(Sealed) Sheikh MUBARAK-US-SUBAH.

True translation.
(Signed) S. G. KNOX, Major,
Political Agent, Koweit.

Koweit, June 6, 1907.

Inclosure 9 in No. 55.

Major Cox to Government of India.

Bushire, June 23, 1907.

IN amplification of my telegram dated the 16th June, 1907, I have the honour to submit, for the information of the Government of India, précis of the two cases of piracy referred to.

Duplicates are being forwarded to His Majesty's Minister at Tehran for information.

Précis of a Case of Piracy with Murder committed on a Persian Dhow off Taonah in November 1906, and subsequent correspondence.

A native vessel of the "mashoweh" type belonging to the Persian port of Shivoh, which had been in the "poos" of dry-dock of Lingah for some days, was ready for sea on the 16th November. She had on board six persons and cargo to the value of 6,000 rupees.

In the dry-dock alongside of her had been another "mashoweh" manned by some Arabs. It seems that these Arabs are well known as "bilashtis" (pirates), and are said

to belong to a party of bad characters which was expelled from the Shatt-el-Arab two years ago by the Sheikh of Mohammerah on account of depredations committed there. They are variously stated to have been living for some time past at Dayir, Kangoon, and Um-el-Kurm, on the Dashti Coast. Their identity was probably not recognized at Lingah until after the occurrence. This Arab "mashoweh" got under way from Lingah on the night of the 16th September at the same time as the Shivoh craft, and it appears that on the night before the 1st Shawwal (i.e., night of the 17th November) the Arabs approached the Persian dhow on the pretence of asking for water, and, having boarded her, attacked and stabbed to death, as they thought, the six occupants, and transferred all the merchandize found in her to their own vessel. They then tied the wounded or murdered men to the anchor rope and threw them overboard with the anchor and bored a hole in the dhow, so that she got waterlogged and partially sank. The pirates then left, and it is not known where they went to. Of the six men thrown overboard, one, a boy of 16, who was not dead, got free from the ropes and was cast ashore between Charak and Taonah about noon on the 1st Shawwal (18th November), where he was found by some persons of Taonah and taken to the Chief of that place, Sheikh Abdullah-bin-Mahomed Bushri. He was nursed at Taonah until he was sufficiently recovered to be taken to Lingah to have his wounds tended. On the same afternoon that the boy was found an object was seen in the sea by the Taonah people, and boats proceeding to the spot found that it was the scuttled dhow with several holes in her.

The above was reported by the Residency Agent at Lingah on the 29th November, 1906. Later reports from the same source, obtained from one Abdul Rahim-bin-Mullah Abdullah, an inhabitant of Kangoon, have brought the following details to light:—

The occupants of the Shivoh dhow were as follows:—

1. Ibrahim.
2. Ali-bin-Ibrahim, son of above and sole survivor.
3. Mahomed-bin-Abdul Ghani, owner of the looted merchandize. A merchant of Gaobandi, for the Chief of which district he was also bringing some gold ornaments.
- 4 and 5. Names not known. Two of the crew.
6. One ship's boy; taken prisoner by the pirates and murdered later.

The pirates, after sinking the dhow, made for a small port 2 miles east of Kangoon called Nakhli-i-Ghanem, where they murdered the ship's boy (No. 6) above referred to and landed the captured goods. From here they transported the latter by land to Kangoon. Ahmed Khan, uncle of Jamal Khan, of Dashti, the Deputy Governor of this place, appears to have been away at the time, but two of his relatives, who were acting for him, by name Mullah Hussein and Zayer Mirza, are alleged to have received a portion of the booty, a share being also given to Haji Khan-bin-Jamal Khan, Deputy Governor of Dayir, who had come to know of the proceedings.

Jamal Khan, the Governor of Dashti, on hearing of the incident, evidently appeared to have feared pursuit, as he gave directions for the pirates to be disguised as men of Dashti and taken to the village of Bordaghoon, 30 miles north of Dayir, where they were to await his arrival. The families of the pirates reside at Kangoon, and their dhow, after landing the stolen goods, appears to have been taken to the Khor-i-Bardistan, 2 miles east of Dayir.

As regards the pirates themselves, they appear to have been three in number, all brothers, though there is some divergence of opinion regarding their precise names.

1. According to Abdul Rahim-bin-Mulla Abdullah, originally an inhabitant of Kangoon, but now residing at Lingah, they were—

- (1.) Sheikh Abdulla.
- (2.) Sheikh Ibrahim.
- (3.) Sheikh Abdul Reza.

2. According to the Abyssinian slave of one Mohamed-bin-Subah, who knew them while at Lingah, their names were—

- (1.) Abdulla;
- (2.) Meloo;
- (3.) Abdul Reza;

and they were known as the family of Hamaidi and residents of Manyoohi.

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3. When Captain Bowman, of His Majesty's ship "Sphinx," went to Dayir and Kangoon to make inquiries at the request of the Resident in January 1907,* the local authorities denied all knowledge of this particular piracy, but declared that it was true that about four years ago some Bussorah Arabs had plundered a dhow belonging to Seyyid Saleh, of Mohammerah, and had then come to Dayir to sell the cargo, but that on the Sheikh of Mohammerah sending warning to Dayir about them their dhow and cargo had been seized and the Arabs expelled. Their names were said to be—

- (1.) Abdullah Rutha-bin-Hamaid.
- (2.) Ibrahim-bin-Hamaid.
- (3.) Ismail-bin-Hamaid-al-Amah (now a prisoner at Mohammerah).

It was further stated that after being expelled from Dayir they had sought refuge at Abu Thabi or Shargah.

In connection with this visit of His Majesty's ship "Sphinx," Mr. Francis, retired Assistant Surgeon, one day stated, in conversation to a member of the Residency, that he was at Dayir the day the "Sphinx" called there, and that "the pirate" was actually staying with the Khan of that place at the time; that this fact was well known to every one, but that as he (Mr. Francis) was treating the Khan, he could not go out and give information on board.

Further corroboration from an independent source is furnished in a report from the Political Agent, Koweit, before whom one Muhammad-bin-Haji Abdulla-bin-Muhammad, a nakhoda and inhabitant of the Island of Kharg, stated that the chief of the pirates was actually in "Dayir at the time the 'Sphinx' called."

Action taken by the Residency.

On receiving the first report (dated the 29th November, 1906) of the piracy from the Residency Agent at Lingah, inquiries were made at once from the Derya Begi, the then Governor of the Gulf Ports, as to what steps he proposed to take in the matter. The Derya Begi replied (13th December, 1906) that Dayir was in Dashti under Jamal Khan, and that Dashti was in the jurisdiction of Fars, and that therefore he was unable to see his way to taking any action. The Resident again communicated with him, pointing out that he did not see how anything could be done, except by sea by means of the "Persepolis," which was under his (the Governor's) control, and inquired whether it would assist in any way if he (the Resident) were to move the Legation to get the "Persepolis" deputed. The Derya Begi informed the Resident in reply (3rd January, 1907) that the "Persepolis" had been damaged by the Customs officials to prevent him from paying a visit to Lingah, and that he could not make use of the "Muzaffer" without orders from Tehran, as she was under the control of the Customs Director. On receipt of this the Resident telegraphed (5th January, 1907) to the Minister, informing him of the position of affairs, and requesting that the Persian Government be moved to direct the Governor to proceed to Dashti in the "Muzaffer." At the same time (6th January, 1907) he requested the Senior Naval Officer (Captain Bowman), who happened to be at Bushire, to proceed to Dayir and make inquiries with a view to obtaining, if possible, further details regarding the piracy.

On the 16th February the Minister replied to the Resident's telegram informing him that it was stated by the Persian Government that the necessary orders had been sent. In the meantime, however, there had been a change of Governors. The Derya Begi, having left Bushire on the 30th January, was succeeded by Haji Saeed-es-Sultaneh, and the latter, having been offered the Governorship of Dashti by the Fars authorities, and having accepted the same (28th February), the Fars Government, to whom a reference was made on the subject by His Majesty's Consul at Shiraz, repudiated jurisdiction and threw back responsibility on Bushire. The new Governor of the Gulf Ports, however, promised to take necessary action in the matter, though he at the same time denied having received any orders from Tehran in that connection. No action has up to date been taken by him, and the Resident now understands that the Saeed-es-Sultaneh has submitted his resignation of the Governorship of Dashti, though this has not yet been accepted.

* It will be understood that His Majesty's ship "Sphinx" only went to the locality to make inquiries for the Resident's information.

On the 16th June, 1907, in reply to Resident's telegram of the 16th idem regarding another piracy committed apparently by the same gang on a Koweit dhow, His Majesty's Minister intimated that he could hold out no hopes that useful action would be taken by the Persian Government at present.

(Signed) P. Z. COX, Major,
Political Resident in the Persian Gulf.

Bushire, June 23, 1907.

Brief Details of a Piracy committed on a Koweit Dhow.

A Koweit boom with a crew of four men, natives of Bussorah, and owned by Ali-bin-Hamad-ul-Fathala, originally of Bahrein, but domiciled (since forty years) in Koweit, left Koweit for Bussorah on the 24th December, 1906, leaving the latter place again on her return journey on the 4th January, 1907. She never returned, and was given up for lost.

According to the father of the Nakhoda, who helped to load up the boat at Bussorah, there were about twenty-five native passengers on board, amongst whom were—

1. The daughter of Ibrahim-bin-Nugaimish, wife of Ali-bin-Nugaimish;
2. Abdur Rahman-bin-Shahab;

both well known in Koweit.

About the middle of March news was received that the boom had been seen derelict off the Island of Amair on the Arab coast near El Katif, but on inquiries being made there by the owner's son Hussein, he was informed that it had been salvaged and taken by the inhabitants of the island to Bahrein for sale.

Subsequently it transpired that the vessel had been recognized at Bahrein by friends of Ali-bin-Fathala, and inquiries were made which led to Sheikh Esa giving orders for the boat to be returned to the original owner, whose son had now arrived at Bahrein with a letter from Sheikh Mubarak. The Amair people declared that they had found in the boom many blood marks, a severed human arm, and the remains of a man with his hands tied behind his back, and towed by the boom. The vessel, when found, was said to have been absolutely empty, containing not a sail or a cubit's length of rope. Its hull was, however, in perfectly seaworthy condition.

Haji Abdullah-bin-Muhammad Arab, Nakhoda of Kharg Island, made a statement before the Political Agent, Koweit, on the 21st May to the effect that he had recently been sitting in a coffee-shop at Bahrein, when a Persian of Dayir, who was present and discussing these piracies, stated that the sons of Hamaidi, the notorious pirates, were well known in his village. They had recently been absent for two or three months, and had then returned bringing dates and bracelets and gold-laced clothes of women.

The chief of them was one by name Abdulla-bin-Hamaidi, of Bussorah, and his sons—

1. Abdur Reza.
2. Name unknown.

Their crew consisted of—

1. Seyyid Mehdi of Ganawa (a well-known robber, once punished by the Headman of Bunder Rig).
2. Six men of Dayir.

The man further stated that their head-quarters used to be Dayir, but that now they lurked in Khor Ziyarat, and had a house in Um-el-Kurran* and Jabrin Island.

On the 6th June Sheikh Mubarak wrote pressing for the punishment of these men, and offering to arm a dhow for the purpose. His proposal is under reference to Government.

(Signed) P. Z. COX, Major,
Political Resident in the Persian Gulf.

Bushire, June 23, 1907.

* Latitude 28°.

Inclosure 10 in No. 55.

Government of India to Major Cox.

(Telegraphic.)

Simla, July 25, 1907.

YOUR letter dated the 23rd June, 1907, regarding piracy on Koweit dhow.
Please report by telegraph whether a full pecuniary demand has been put in against the Persian Government for these piracies.

Inclosure 11 in No. 55.

Major Cox to Government of India.

(Telegraphic.)

Shiraz, August 6, 1907.

PIRACY on Koweit dhow.
Please refer to your telegram dated the 25th July. His Majesty's Minister telegraphs, in reply to inquiry from me:—

"I have made representations about the piracy."

The representations have apparently been made quite recently, but in any case they will be devoid of result, in my opinion.

[34125]

No. 56.

Mr. W. D'Arcy to Sir C. Hardinge.—(Received October 14.)

Dear Sir Charles,

Bylaugh Park, East Dereham, October 12, 1907.

I RECEIVED your letter of the 11th, and I cannot express to you the great delight and relief and the great gratitude to you I experienced when I read what would be done.

I am sure now the business will come to a successful termination, and I can never thank you enough for all your kindness. I fear you will say I am everlastingly making requests, and, if it is not an unreasonable one, it would be an immense help if it could be at once known in Tehran and the south of Persia what you propose doing.

I assume I am at liberty to tell our Engineer-in-charge, Mr. Reynolds, but of course the news coming from him would not have the weight it would coming from your officials, and if this news could be cabled it would quieten matters in the meantime.

With many apologies for troubling you so much, and with renewed thanks, yours very truly,

(Signed) W. K. D'ARCY.

[34119]

No. 57.

Memorandum respecting the Turco-Persian Frontier Dispute.

I HAD a long conversation with Sir Arnold Kemball yesterday respecting the Turco-Persian frontier. Besides having been Commissioner himself in 1875-7, Sir Arnold Kemball is intimately acquainted with the earlier phases of the question, as he knew Dervish Pasha, and Sir F. Williams stayed with him at Bagdad for two months in 1849, before he began to survey the frontier zone.

He told me that when the Commission of 1875 met at Constantinople the official Turkish map, showing the claims of the Turks as laid before the Conference of Erzeroum in 1843, was not forthcoming. He considers that the discovery of this map amongst the Foreign Office archives will enormously facilitate the work of any future Commission. Sir N. O'Connor was authorized to utilize it last summer in order to demonstrate to the Porte that Lahijan was in Persia.

Dervish Pasha wrote a pamphlet in 1873 illustrating the claims of Turkey, and Sir A. Kemball translated it and left it at the Embassy at Constantinople with all the documents relating to the proceedings of the Kemball-Zelenoi Commission, but it

appears that the Embassy are unable to trace either these documents or the maps. Doubtless the Porte has a copy of the pamphlet, and so long as the frontier zone is not accepted as the basis of negotiation it is, in Sir A. Kemball's opinion, practically certain that the Porte will advance most circumstantial and specious claims to places within Persian territory, such as Beradost and Tergarvar, basing these claims upon the assertions contained in Dervish Pasha's pamphlet. In these circumstances he is not hopeful that the Porte will be induced to withdraw the Ottoman troops from the east of the zone.

He considers that if a fresh frontier Commission meets both Turkey and Persia should undertake, during the progress of negotiations, to regard the frontier zone as neutral territory, and to withdraw all armed forces therefrom; but he says that if the Porte consents to do this, except in the face of a naval demonstration, such an attitude would indicate a complete reversal of the policy that has hitherto consistently been pursued by Turkey. He instanced the case of the Kotur villages to prove the futility of diplomatic representations, no matter how sound the arguments may be upon which those representations are based. By Article LX of the Treaty of Berlin, Kotur was retroceded to Persia by Turkey; a Commission (the Hamley-Zelenoi one) was sent to the spot in order to determine what constituted "Kotur." The Porte accepted the decision of this Commission, which is recorded in a map; but to this day the decision has not been carried out, and although the town of Kotur was ceded to Persia, the adjacent villages remain in the occupation of the Turks.

(Initialled)

A. P.

Foreign Office, October 14, 1907.

[34124]

No. 58.

Mr. Marling to Sir Edward Grey.—(Received October 14.)

(No. 294.)

(Telegraphic.) P.

Tehran, October 14, 1907.

BUSHIRE has just informed me that R.I.M.S. "Comet"—presumably at the request of the Oil Syndicate—is ordered to Ahwaz. What are the views of the Syndicate on the general situation?

Although the dispatch of the "Comet" may somewhat increase Lorimer's prestige, the effect on the Khans will, I fear, be slight.

See Sir C. Spring-Rice's telegram No. 261 of the 14th ultimo.

[34201]

No. 59.

Mr. Marling to Sir Edward Grey.—(Received October 14.)

(No. 295.)

(Telegraphic.) P.

Tehran, October 14, 1907.

THE Persians wish the Financial Adviser's contract, mentioned in my telegram No. 293 of the 10th instant, to be signed between the Persian Representatives in Paris and M. Bissot, and are inclined to be suspicious at the omission of mention of National Bank.

As the Russian conditions will be secured by Bissot's general instructions, no objections will be raised by M. de La Martinière.

[34124]

No. 60.

Sir Edward Grey to Mr. Marling.

(No. 139.)

(Telegraphic.) P.

Foreign Office, October 14, 1907.

SITUATION in Bakhtiari country refer to your telegram No. 294 of the 14th instant.

Mr. D'Arcy takes a serious view, and we have at his request asked that "Comet" may be ordered to Ahwaz.

An endeavour is also being made to arrange that the Ahwaz guard should be increased and we propose, when this is settled that instructions shall be sent to

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His Majesty's Vice-Consul to visit Ram Honung with it; in Mr. D'Arcy's opinion good results would follow from this.

The authorities and Khans should also be allowed to understand that great interest is taken by His Majesty's Government in the safety of officials and property belonging to the Oil Syndicate for which responsibility will be held to rest with them.

[33633]

No. 61.

Sir Edward Grey to Sir A. Nicolson.

(No. 249.)

(Telegraphic.) P.

Foreign Office, October 14, 1907.

PERSONAL loan to the Shah; please refer to your telegram No. 213 of the 9th instant. We have received a communication in the sense mentioned from the Russian Embassy.

In reply we are stating that the conditions under which 200,000*l.* were placed at the disposal of the Persian Government, were that the loan should be a public one and that the responsibility for it should lie with the Persian Government.

We consider also that it is to be desired that the approval of the Assembly should be obtained for the loan. The sum must therefore be considered to be provisionally pledged, and therefore unless the consent of the Assembly is obtained, no part of it is available for use as a loan to Shah.

While appreciating at the same time the friendly attitude of the Russian Government which suggested proposal for one co-operation, we regret our inability to participate in the loan.

[34166]

No. 62.

India Office to Foreign Office.—(Received October 15.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of telegram from the Viceroy, dated the 12th instant, regarding the dispatch of the "Comet" to Ahwaz.

India Office, October 14, 1907.

Inclosure in No. 62.

Government of India to Mr. Morley.

(Telegraphic.) P.

October 12, 1907.

WITH reference to your telegram of the 10th instant.

Instructions have been sent to the Resident at Bagdad for the dispatch to Karun of the "Comet." She will report to the Vice-Consul at Ahwaz, or will communicate with the Oil Syndicate if the Vice-Consul is not at Ahwaz. In about seven days she should reach Ahwaz. Lynch should be requested to render any assistance to the officer in command which he may require.

[34234]

No. 63.

Sir A. Nicolson to Sir Edward Grey.—(Received October 15.)

(No. 216.)

(Telegraphic.) P.

St. Petersburg, October 15, 1907.

M. GOUBASTOFF has sent me an urgent private letter with regard to Turco-Persian frontier stating that instructions have been sent to Russian Vice-Consul at

Urumia to proceed to frontier in order to look after the interests of certain Russian subjects which the Ottoman troops have injured.

The Russian Government would be grateful if I could communicate to them substance of instructions given to Consul-General Wratislaw as soon as possible as they are anxious that instructions given to Russian Vice-Consul should be in harmony with them. In M. Goubastoff's opinion, as British and Russian Consular Representatives have not been sent to frontier as Commissioners or Delegates of the mediatory Powers, it is important that their position towards Persian and Turkish Delegates should be minutely defined.

[34235]

No. 64.

Mr. Marling to Sir Edward Grey.—(Received October 15.)

(No. 296.)

(Telegraphic.) P.

Tehran, October 15, 1907.

WITH regard to the personal loan to the Shah, referred to in telegram No. 213 from St. Petersburg and your answering telegram No. 249 of the 14th instant, 20,000*l.* was quite recently voted to His Imperial Majesty by the Assembly, pending the settlement of the Civil List. Of this he has already received 10,000*l.* Any loan would be most undesirable, for there is but little doubt that it would be employed to intrigue against the Assembly.

Although the Russian Minister has not mentioned this loan to me, nor, I believe, to Sir C. Spring-Rice, negotiations for it have probably been going on for some little time. A deplorable impression would have been produced in the country by our participation in it.

[33491]

No. 65.

Sir Edward Grey to M. Poklewski.

SIR EDWARD GREY presents his compliments to the Russian Chargé d'Affaires, and has the honour to acknowledge the receipt of his Memorandum of the 7th instant, relative to the application made by the Shah to the Russian Bank at Tehran for an advance of 150,000 tomans upon articles of value belonging to His Imperial Majesty.

This Memorandum lays down the conditions upon which the Russian Government would be prepared to assent to this application, and solicits the co-operation of His Majesty's Government in making the advance.

While thanking M. Poklewski for his most frank and friendly communication, Sir E. Grey has the honour to point out that the consent of His Majesty's and the Russian Governments to hold, at the disposal of the Persian Government, the sum of 5,000,000 fr., mentioned in the Memorandum as the source from which the loan now contemplated should be drawn, was given on the understanding that the advance should be made publicly, and that the responsibility should lie with the Persian Government. It was further agreed that it would be preferable to wait till the Persian Government and the National Assembly had come to an arrangement on the subject. It appears to Sir E. Grey that this understanding still holds good, and that the sum of 5,000,000 fr. in question must, therefore, be regarded as provisionally pledged and not available for use, as a whole or in part, in making a personal loan to the Shah without reference to the Assembly.

For these reasons His Majesty's Government regret that they are unable to participate in the proposed loan, though they highly appreciate the friendly spirit which has animated the Russian Government in approaching them on the subject.

Foreign Office, October 15, 1907.

[34295]

No. 66.

India Office to Foreign Office.—(Received October 16.)

Sir,

India Office, October 15, 1907.

IN reply to your letter dated the 10th instant, I am directed to inform you that Mr. Secretary Morley concurs in the terms of the draft Memorandum which Secretary Sir E. Grey proposes to hand to M. Poklewski in reply to his Memorandum inviting the co-operation of His Majesty's Government in making a small personal loan to the Shah of Persia.

I am, &c.
(Signed) COLIN G. CAMPBELL.

[34234]

No. 67.

Sir Edward Grey to Sir A. Nicolson.

(No. 251.)

(Telegraphic.) P.

Foreign Office, October 16, 1907.

TURCO-PERSIAN frontier; please refer to your telegram No. 216 of the 15th October.

It is principally as a Mission of Inquiry and in order to furnish reliable information on the situation that Mr. Wratislaw's Mission is being sent, but instructions have also been given to him to impress upon the Ottoman Commissioner the importance of supplying precise information to the Sultan of the places recently occupied, but over which jurisdiction has hitherto been exercised by Persia, and it should be his object to convince Commissioner of the totally unacceptable nature of Dervish Pasha's map.

We shall be glad to be informed of the instructions which the Russian Government propose, with the object of establishing concerted action, to issue to their Consul.

[34125]

No. 68.

Sir C. Hardinge to Mr. W. D'Arcy.

Dear Mr. D'Arcy,

Foreign Office, October 16, 1907.

WITH reference to your letter of the 12th, relative to the situation of the Oil Syndicate's staff in Persia, I see no objection to your telling your engineer, Mr. Reynolds, what is being done in the matter, only, if you do so, please make him understand that our request for the increase of the Ahwaz Consular guard is still under the consideration of the Government of India, and that we have to wait till that is satisfactorily settled before trying to arrange for Captain Lorimer's visit to Ram Hormuz. For this reason we cannot instruct our Chargé d'Affaires at Tehran to let these measures be known as though it were definitely settled that they were to be taken.

I have, of course, no reason to suppose that the Government of India will make any difficulty in complying with our requests, and indeed the order for the "Comet" to proceed to Ahwaz has already been given.

We have telegraphed to Mr. Marling telling him what we are doing in the matter, and adding that it would be as well to let the Persian authorities and the Bakhtiari Khans understand that His Majesty's Government are greatly interested in the safety of the officials and property of the Syndicate, for which they will be held responsible.

I am, &c.
(Signed) C. HARDINGE.

[34166]

No. 70*.

Foreign Office to Euphrates and Tigris Steam Navigation Co.

Sir,

Foreign Office, October 17, 1907.

I AM directed by Secretary Sir Edward Grey to acquaint you that information has reached him to the effect that, owing to the disturbed condition of the Bakhtiara country, the situation of the staff of the Oil Concessions Syndicate employed at their works at Ram Hormuz is one of some danger.

It has accordingly been arranged with the Government of India that the Royal Indian Mail Steamer "Comet" should be sent from Bagdad to Ahwaz where it should arrive in a few days, in the hope that its presence may produce a moral effect on the Bakhtiari tribesmen, and other measures have also been taken on behalf of the Syndicate's employes.

In announcing that orders have been given for the dispatch of the "Comet" the Government of India express the wish that Messrs. Lynch may be asked to render to the officer in command of the vessel any assistance which he may require, and I am accordingly to request that your Company will be good enough to cause telegraphic instructions to that effect to be dispatched to their Agents at Ahwaz.

I am, &c.
(Signed) CHARLES HARDINGE.

[34364]

No. 69.

India Office to Foreign Office.—(Received October 17.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 15th instant, relative to Consular guards in Persia.

India Office, October 16, 1907.

Inclosure in No. 69.

Government of India to Mr. Morley.

(Telegraphic.) P.

October 15, 1907.

YOUR three telegrams dated the 18th ultimo, 19th ultimo, 7th instant.

1. Consular guard for Ispahan.—It is suggested by the military authorities here that we should send up immediately, viâ Bushire, twelve extra men, nominally for the purpose of relieving the present escort of eight, whose relief is now due, but that the escort should not actually be relieved until next spring, when we could send eight sowars more. We have consulted Political Resident in the Persian Gulf, who concurs. The twelve men will be sent at once if you approve.

2. Ahwaz guard.—Policy of stationing small bodies of men in a country which is disturbed is disapproved by our military advisers. Such action, they hold, should not be taken, except on the responsibility of the political officers on the spot. Major Cox has accordingly been consulted by us, and his reply is as follows :—

“It seems to me essential for each party of sowars to be accompanied by a British officer, with a knowledge of Persian. It would not be fair to the men to send them by themselves, and trouble would certainly ensue. It seems to me that five is too small a number for either place, and it would, in my opinion, be best to send not less than ten men for each of the two camps.”

We are ready to send the men and two officers, if they are required. The cost of the guard proposed for Ahwaz of two officers and twenty men, half of which cost we are willing to defray for a period of six months, would approximately be 8,000 rupees initial, not including charges for transport, 2,400 rupees a-month recurring. The increase of the guard at Ispahan would cost 4,020 rupees initial and 725 rupees a-month recurring.

(Repeated to Tehran.)

[34414]

No. 70.

Mr. Marling to Sir Edward Grey.—(Received October 17.)

(No. 297.)

(Telegraphic.) P.

Tehran, October 17, 1907.

TWO Russian gun-boats are reported by the Military Attaché at Meshed to be coming viâ the Volga to the Caspian from the Baltic Sea.

[34503]

No. 71.

Sir C. Spring-Rice to Sir Edward Grey.—(Received October 18.)

(No. 214.)

Sir,

Gulahek, September 26, 1907.

I HAVE the honour to transmit herewith copy of a despatch from His Majesty's Consul-General at Bushire, forwarding a brief comparative statement indicating the revenue derived by the Persian Government from the customs of the Gulf Ports during the years 1905-6 and 1906-7 respectively, counting from Naorooz.

I have, &c.

(Signed)

CECIL SPRING-RICE.

Inclosure 1 in No. 71.

Major Cox to Sir C. Spring-Rice.

(No. 66.)

Sir,

Bushire, June 23, 1907.

I HAVE the honour to forward for your information a brief comparative statement prepared by His Majesty's Vice-Consul, from statistics obtained from the Customs Administration, indicating the revenue derived by the Persian Government from the customs of the Gulf Ports during the years 1905-6 and 1906-7 respectively, counting from Naorooz.

As we are interested in the disposal of the income of the ports of the south, the financial progress of the system under the present Tariff is necessarily a matter of concern to us.

In reference to figures now furnished, it is gratifying to note that the income derived from Bushire has increased by 14,000*l.* during the past twelve months. On the other hand, that at Bunder Abbas has decreased by a somewhat similar amount—11,000*l.* The probable reasons for this falling off have been dealt with by His Majesty's Consul in his Trade Report, but I may mention in passing that the chief heads under which the shrinkage has occurred are tea, shirtings, and iron. It would appear that the customs post at Henjam has not yet begun to pay its way.

I should not omit to mention in conclusion that the figures given do not include the very considerable amount derived from fees on stamps, clerks' fees, and labelling charges.

A copy of this letter is being forwarded to the Government of India for information.

I have, &c.

(Signed) P. Z. COX, Major,
British Resident in the Persian Gulf, and
His Majesty's Consul-General for Fars, &c.

Inclosure 2 in No. 71.

STATEMENT showing Duties levied by the Persian Administration at the Customs-houses in the Persian Gulf for the Year March 1905-6 and 1906-7.

Ports.	Imports.		Exports.	
	1905-6.	1906-7.	1905-6.	1906-7.
Bunder Abbas	£ 11,682	£ 29,690	£ 946	£ 1,096
Lingah	5,686	6,911	610	1,154
Kharak	17	17	..	1
Dayer	309	319	375	591
Charbar	278	108	295	367
Henjam .. ..	..	2	1	..
Jask	141	171	55	49
Bender Dilam	13	67	621	428
Bender Rig	51	34	501	468
Kishm	613	791	66	51
Minab	5	28	121	23
Total	48,855	58,168	3,621	4,228
Bushire	60,458	66,267	11,284	19,253
Grand total	109,313	104,735	14,855	23,481

[34497]

No. 72.

India Office to Foreign Office.—(Received October 18.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 16th October, regarding the capture of arms caravan in Kacha Gorge.

India Office, October 17, 1907.

Inclosure in No. 72.

Government of India to Mr. Morley.

(Telegraphic.) P.

October 16, 1907.

PLEASE refer to our telegram dated 12th May last and to the correspondence which was afterwards forwarded by Secretary in Foreign Department in his letters dated 20th June, 29th August, as to the arms caravan captured in Kacha Gorge.

The Ameer complains in a letter dated 11th September of the caravan being seized and of the men accompanying it being killed and wounded; the number of arms which were captured is greatly exaggerated in the letter, in which, after stating that the arms were being brought for the purpose of arming the Afghan people, he expresses hope that we will punish our officials on the frontier, and take measures by which similar attacks will in future be prevented.

Information has reached me from a secret source, which I believe to be trustworthy, that a letter was written by the Ameer to his envoy telling him to push on the matter, and adding that he is prepared, if full satisfaction be not given him, to cut off all his connection with the British Government. Possibly the Ameer's letter was couched in these terms for the purpose of impressing the envoy, as we know his letters to have been before, but our informant reports him to be apparently very angry, which may render his attitude as regards his acceptance of the Anglo-Russian Convention more difficult. According to the Ameer's statement, the affair has only just come to his ears, but it was reported by the Herat news writer, 17th June, and by the British Agent at Cabul, officially, in the early part of July, that complaints had been made to the Ameer by smugglers, and that not much notice was taken by him of the matter, although he was then at Candahar. It seems possible that he is beginning to realize that his free supply of arms will be put an end to by our action; also, that the anti-foreign party may have pointed out that it is inadvisable that a check should be placed on the supply of arms to our tribesmen; and that the Ameer may have worded his letter in the terms described above in order to maintain his popularity among his people. In our despatch dated the 21st February last, paragraph 9 and paragraph 12, we foreshadowed this difficulty, and we were obliged to run the risk by the serious dangers arising from the illicit traffic, and there is no room for doubt that some good has been effected by the seizure. Perhaps, too, the Ameer may be affected by garbled reports concerning the Convention negotiations, which, considering that he was near the Russian frontier, might easily have reached him. Governor-General's Agent in Beluchistan is being asked as to certain points of details.

Reply to the Ameer's letter will be deferred for a few weeks in order to allow time to send us a reply to my letter as to the Convention, and to permit of his attitude being observed. Ultimately, I propose to justify our action on the following grounds, viz.:—

That the persons concerned were occupied in a traffic which is illicit and against the laws both of the British Government and the Persian Government;

That they knew well enough, as the papers captured by us show;

That a large party of men carrying arms formed the escort of the caravan, and attempted to force a way through British limits; and

That such armed violation of British territory had necessarily to be prevented.

Reference will also be made to the fact, which is notorious, that these arms are being sold in large numbers in Afghanistan to the tribesmen on our side of the frontier without any steps being taken to prevent it, and that it is not possible for us to allow

irresponsible persons to import arms illicitly, without restriction, although the Ameer has been given every facility to enable him to obtain arms for himself. We were not, at the time, aware that the caravan was owned by Afghan subjects, and I regret the misadventure which was occasioned by their own action. Now, however, that the Ameer knows the trade to be illicit and that such violation of our territory is strongly objected to, I trust we may look to him for assistance in putting a stop to the trade. Please let me know if an answer to the Ameer on the above lines has your approval.

Frontier diaries of recent date show that large quantities of arms from the Persian Gulf are coming into the hands of the frontier tribes from Afghanistan, also that Nasrulla told the jirgas of the Afridis when they were received at Cabul that it was open to them to buy these arms to any extent they pleased, and no taxation was imposed, or difficulties raised, when the export of arms was taking place. There is practically an unlimited supply of arms, constituting a danger of a very serious kind, and we cannot well allow the Ameer, even at the risk of causing him annoyance, to make our legitimate action within our frontiers the matter of a grievance. We ought to be able, in view of our good understanding with the Russians, to deal with him firmly in this matter, in which two questions of policy of the greatest importance are involved, viz., intrigues from Cabul with our tribes, and the illicit supply of arms without restriction to Afghanistan. We have told the Ameer clearly, more than once, in regard to both of these questions, that no interference with our rights can be allowed.

[34509]

No. 73.

Sir A. Nicolson to Sir Edward Grey.—(Received October 18.)

(No. 217.)

(Telegraphic.) P.

St. Petersburg, October 18, 1907.

REFERRING to your telegram No. 251 of the 16th instant.

With regard to Turco-Persian frontier, I communicated substance of instructions given to Consul-General Wratislaw to M. Goubastoff, and this morning he informs me that instructions will be sent to Russian Vice-Consul in a similar sense telling him to act in harmony with Mr. Wratislaw. Instructions will also be given him not to forget that the Consuls have not the character of official Delegates on the Frontier Commission, as Turkey did not accept the mediation of the two Powers, and that extreme prudence in their action is therefore necessary on account of their indeterminate position.

M. Goubastoff would be glad, as His Majesty's Government desire the two Consuls to act in concert, if you will complete in the above sense instructions to Mr. Wratislaw.

[34555]

No. 74.

Sir A. Nicolson to Sir Edward Grey.—(Received October 19.)

(No. 521.)

Sir,

St. Petersburg, October 15, 1907.

I HAVE the honour to transmit herewith copy of a private letter, marked Urgent, which I have received from M. Goubastoff, informing me that the Russian Vice-Consul at Urmiah has received orders to proceed to the frontier, in order to protect the interests of certain Russian subjects which have been injured by the Ottoman troops.

M. Goubastoff is anxious, for reasons explained in his letter, that the instructions to be given to Baron Tcherkassow should be in harmony with those given to Mr. Wratislaw, and would therefore be glad to be informed, as soon as possible, of the substance of the orders with which that gentleman has been furnished.

I have, &c.

(Signed) A. NICOLSON.

Inclosure in No. 74.

M. Goubastoff to Sir A. Nicolson.

M. l'Ambassadeur,

Saint-Petersbourg, le 2 (15) Octobre, 1907.

JE m'empresse de vous faire savoir que le Ministre de Russie à Téhéran a chargé notre Vice-Consul à Ourmiah, le Baron Tcherkassow, de se rendre à la frontière Turco-Persane afin de défendre les intérêts de quelques sujets Russes lésés par les troupes Turques qui ont occupé quelques terrains que ces sujets Russes ont en fermage.

J'apprends à présent que Mr. Wratislaw, Consul-Général d'Angleterre à Tauris, a également reçu l'ordre de se présenter à la frontière, et je pense que si les instructions que doivent recevoir les deux Consuls sont mises en harmonie, non seulement des malentendus possibles seraient évités, mais encore leurs démarches communes pourraient peut-être produire de meilleurs résultats.

Si vous êtes de mon avis, voulez-vous avoir l'extrême obligeance de me faire savoir—évidemment le plus tôt que faire se pourra—quelles sont, en traits généraux, les instructions dont a été ou sera muni Mr. Wratislaw, afin de me mettre en mesure de faire rédiger celles du Baron Tcherkassow de manière qu'elles soient autant que possible mises d'accord avec celles-là. Il serait surtout important, me semble-t-il, de fixer d'une manière minutieuse la position que les deux Consuls devront prendre vis-à-vis des Délégués Turcs et Persans, vu que Mr. Wratislaw et M. Tcherkassow ne sont pas envoyés à la frontière en qualité de Délégués et Commissaires des deux Puissances qui avaient offert leur médiation à la Turquie et la Perse.

Veillez, &c.

(Signé) GOUBASTOFF.

[34532]

No. 75.

India Office to Foreign Office.—(Received October 19.)

Sir,

India Office, October 18, 1907.

WITH reference to your letters of the 4th and 5th instant, as to the dangerous situation of the staff of the Oil Concessions Syndicate in Persia, I am directed by Mr. Secretary Morley to inclose copies of telegrams to and from the Government of India, dated the 7th and 12th instant respectively.*

I am at the same time to suggest that, as proposed by the Government of India, Messrs. Lynch may be requested to render any assistance he may require to the officer commanding the "Comet."

I am, &c.

(Signed) A. GODLEY.

[34531]

No. 76.

India Office to Foreign Office.—(Received October 19.)

Sir,

India Office, October 18, 1907.

WITH reference to your letter dated the 14th ultimo, as to the increase of the Consular guard at Ispahan, I am directed by Mr. Secretary Morley to inclose copies of telegrams which have passed with the Government of India,† and to inquire whether Secretary Sir E. Grey concurs in their proposals to dispatch at once, via Bushire to Ispahan, twelve additional men, and to defer the relief of the present escort of eight until the spring.

In the event of such concurrence, Mr. Morley will issue the necessary instructions to the Government of India.

It will be seen that the expenditure, of which a moiety will fall on Indian revenues, is stated at 4,020 rupees (268l.) initial and 725 rupees a-month (580l. a-year) recurring.

A separate communication is being made to you regarding the guard at Ahwaz.

I am, &c.

(Signed) A. GODLEY.

* Nos. 50 and 62.

† See Part XI, No. 428; and *ante*, No. 69.

[34530]

No. 77.

India Office to Foreign Office.—(Received October 19.)

Sir, *India Office, October 18, 1907.*
 WITH reference to paragraph 2 of your letter dated the 5th instant, as to the proposed increase of the Ahwaz Consular guard, I am directed by Mr. Secretary Morley to inclose a copy of a telegram from the Government of India, dated the 15th instant,* and to inquire whether Secretary Sir E. Grey concurs in their proposal to send twenty sowars and two officers.

In the event of such concurrence, Mr. Morley will issue the necessary instructions for this to be done with the least possible delay.

It will be seen that the expenditure, of which a moiety will be borne by Indian revenues for a period of six months, is stated to be approximately 8,000 rupees (533*l.* 6*s.* 8*d.*) initial, excluding transport charges, and 2,400 rupees (1,920*l.* a-year) a-month recurring.

A separate communication is being made to you regarding the guard at Ispahan.

I am, &c.
 (Signed) A. GODLEY.

[34640]

No. 78.

The Euphrates and Tigris Steam Navigation Company to Foreign Office.—(Received October 19.)

Sir, *3, Salter's Hall Court, Cannon Street, London, October 18, 1907.*
 I HAVE the honour to acknowledge the receipt of your letter of yesterday's date, and in accordance with your request, we have this morning telegraphed in cypher to our agents in Ahwaz to render every assistance in their power to the officer in command of R.I.M.S. "Comet."

We have also wired our agents in Bussorah to the same effect.

I have, &c.
 (Signed) H. W. MACLEAN, Secretary.

[34621]

No. 79.

Telegrams communicated by Sir N. O'Connor (no date).—(Received at Foreign Office, October 19.)

(1.)

Sir N. O'Connor to Sir Edward Grey.

(No. 15.) (?)
 (Telegraphic.) P.

[No date.]

RECEIVED last night following from Consul at Urumia:—

"October 6, 1907.

"I found Taher just returned when I visited Tergaver yesterday. The manner in which he received me was most cordial. He said that he would see the Persian Commissioners as soon as they arrived, and he was awaiting their arrival with impatience. The objects of his mission are, in the first place, to examine charges made against Turkish troops, and, secondly, in a general manner the question of the frontier. When I informed him of the details I had reported regarding recent occupations by Turkish troops, he confirmed their accuracy, and stated that the same had been reported to the Porte by him. When urged by me to report also direct to the Palace, he promised, after some hesitation, that he would. He possessed the means of proving, so he assured me, that Mergaver, Tergaver, Baradost, Somai, and Arzel districts were all of them Turkish territory. When I asked whether his claims

• No. 69.

rested on Dervish Pasha's map, he replied that they were based on it, as well as on other evidence. When I was received by him in a small village near Mawana he was accompanied by the Colonel, the Staff Officer, and a number of officials, both civilian and military. Both in Tergaver and in Mergaver there are about 400 Turks—all the infantry of the 29th and 66th Regiments. There are also six guns and a few cavalry. Over Mawana the Turkish flag was flying.

"With the exception of the district of Somai the Turkish advance is, I gather, almost completed. I was told by the Pasha that he would occupy the towns of Ushun, if necessary, but that he had not as yet done so. He had found it impossible to disregard the appeal for the blessings of Turkish Government put forward by the inhabitants of that district. The moment for a Turkish advance, I observed to the Pasha, seemed to be ill chosen, in view of the recent obligation assumed by England and Russia to respect the independence and integrity of Persia. He gave no answer.

"There is, as far as I can see, on the whole, little likelihood that any result will be reached by a Turco-Persian Commission unaided, unless the Persians give way upon almost every point. Evidently the Pasha has received his instructions, and it is not probable that he will yield much.

"I have been instructed by His Majesty's Minister at Tehran to request that your Excellency will repeat to London my frontier telegrams."

(2.)

Consul-General Wratislaw to Sir N. O'Connor.

(No. 17.)

(Telegraphic.) P.

Urumia, October 11, 1907.

I HAVE received your Excellency's two telegrams. I received a letter yesterday from Taher, asking for news about Persian Commission. In my reply I stated that Chief Commissioner was on the point of departure, and proposed to make another visit, on the 14th October, to the Pasha. I will, as far as possible, cast ridicule on Dervish Pasha's map, but if I might hint that obstinacy will be followed by foreign interference greater weight would attach to my personal arguments.

Could Report and map of Anglo-Russian Commission be sent me? I have not got anything relating to the frontier. The Pasha has sent two Turkish officers to make inquiries about the Commission and to buy necessaries. I have seen them. They state that it is impossible to find in Mawana the necessary accommodation for the Commission, and propose Urumia or Van. Of these two, Urumia seems best to me. Please send me instructions.

There has been, perhaps owing "to bad weather," no further news of Turkish encroachments.

(Sent to Tehran.)

(3.)

Sir N. O'Connor to Consul-General Wratislaw.

(No. 6.)

(Telegraphic.) P.

Constantinople, October 12, 1907.

I WAS informed on the 5th, by Legation at Tehran, that Mohtashem-es-Sultaneh, Persian Commissioner, was on the point of leaving next day to act as President. Legation would, I assume, have informed you. I regret the delay.

(Private and Confidential.)

The advice given to Sultan by Izzet Pasha and Co. is being strongly opposed by Grand Vizier and Ministers, who seem to think they have got upper hand, for they have refused to make themselves responsible for what may follow. You will know how this information may be used to the best advantage.

(4.)

Sir N. O'Connor to Consul-General Wratishaw.

(No. 7.)

(Telegraphic.) P.

Constantinople, October 12, 1907.

PLEASE refer to your telegram No. 17 of the 11th October.

The Anglo-Russian Agreement of 1865, copy of map of contested zone, and also Maunsell's map are being sent to you by registered post to-day.

In the case of difficulties arising between the two Mussulman Powers, intervention is implied in Anglo-Russian Agreement of 1865.

[34509]

No. 80.

Sir Edward Grey to Mr. Marling.

(No. 144.)

(Telegraphic.) P.

Foreign Office, October 19, 1907.

SIR A. NICOLSON'S telegram No. 217 of the 18th instant: Turco-Persian frontier question.

Instructions should be sent accordingly to Mr. Wratishaw.

[34649]

No. 81.

Mr. Marling to Sir Edward Grey.—(Received October 20.)

(No. 299.)

(Telegraphic.) P.

Tehran, October 20, 1907.

TURCO-PERSIAN frontier.

Minister for Foreign Affairs says that the Russian officer, mentioned in Mr. Wratishaw's telegram No. 18, goes to command escort of Persian Commissioner. He is second in command of Cossack Brigade.

[34647]

No. 82.

Sir N. O'Connor to Sir Edward Grey.—(Received October 20.)

(No. 140.)

(Telegraphic.) P.

Constantinople, October 20, 1907.

YOUR telegram No. 140 of the 19th instant: Turco-Persian frontier.

I have sent the following to Mr. Wratishaw:—

"The Russian Consul has been directed to act in concert with you, and is being furnished with instructions similar to your own. He will also be reminded that the Consuls of the two Powers have not the character of official Delegates on the Frontier Commission, as Turkey has not accepted Anglo-Russian mediation, and that, under these circumstances, they will have to act with the greatest circumspection.

"You should co-operate with your colleague on these lines."

[34867]

No. 83.

Messrs. Ellinger and Co. to Foreign Office.—(Received October 21.)

Dear Sir,

28, Oxford Street, Manchester. October 17, 1907.

Haji AGHA MOHAMED, Mouin-ut-Tujar, of Tehran and Bushire, some years ago obtained from the Shah's Government a Concession to exploit the Island of Ormuz, and has now for some years systematically mined the red oxide of iron which is on the island in very considerable quantities, and there has been shipped to Europe and the States, where it enjoys great popularity under the various names of Gulf Red, Persian Red, Hormuz Red, &c. This oxide of iron produces a shade of colour which is always in demand, and which appears to be unattainable otherwise than by the use of this oxide of iron.

The Mouin, having occasion to acquire for purposes of development of other interests in Persia a considerable amount of money in cash, has requested us, who have for many years cared for the sale of his oxide and acted generally in this country as his agents, to so arrange that he is put in possession of a sum of 50,000*l.* in cash.

In order to effect this, we propose to register here a limited Company, which will issue debentures for 50,000*l.*, bearing interest at 7 per cent. (or $4\frac{1}{2}$ per cent. if we can get them guaranteed by a financial institution), and repayable on the 31st December, 1919, and with a capital of 10,000*l.* preference shares to be subscribed and paid for by the Mouin, and to serve as working capital in case of need, and 25,000*l.* ordinary shares fully paid up.

The Company would buy from the Mouin-ut-Tujar all the oxide on the Island of Ormuz, which the Mouin would undertake to put free on board at Ormuz, as hitherto done by him. The Mouin-ut-Tujar to receive in payment 50,000*l.* in cash, and all the ordinary shares.

We are to act as Managing Directors of the Company with two seats on the Board, and to receive 2*s.* 6*d.* per ton on all oxide sold as remuneration for our services, and use of clerical staff and offices for ordinary purposes of the Company.

The Trustees for the debenture holders to have either a majority on the Board or a veto as to transfer of ordinary shares.

We are to receive from the Mouin 10 per cent. of the purchase money in cash and shares as received by the Mouin.

Out of the annual profits, after payment of the interest on the debentures, 5,000*l.* to be appropriated to a Debenture Security Fund before payment of a dividend on the preference or ordinary shares.

The oxide sold by us on behalf of the Mouin during the last six years has realized as follows:—

									£
1902.	4,000 tons at 27 <i>s.</i> 6 <i>d.</i> , less commission ..	..	..	..	..	..	..	..	5,225
1903.	5,765 " 27 <i>s.</i> 6 <i>d.</i>, " ..	..	..	..	..	..	..	..	7,531
1904.	6,000 " 32 <i>s.</i> 6 <i>d.</i>, " ..	..	..	..	..	..	..	..	9,120
1905.	6,000 " 32 <i>s.</i> 6 <i>d.</i>, " ..	..	..	..	..	..	..	..	10,118
1906.	8,000 " 42 <i>s.</i> 6 <i>d.</i>, " ..	..	..	..	..	..	..	..	16,150
1907.	8,000 " 42 <i>s.</i> 6 <i>d.</i>, " ..	..	..	..	..	..	..	..	16,150
Total									64,294

Equal to an average for the six years of 10,175*l.*, or more than sufficient to pay three times the amount of 3,500*l.* required annually for the interest on the 50,000*l.* debentures even at 7 per cent.

The above figures show the steady progress of the business as the oxide has become better known to and appreciated by the trade. The purchase price is not to be paid to the Mouin until satisfactory reports are obtained by expert engineers as to the quantity of oxide on the island being amply sufficient to secure the debentures.

On these or similar lines we anticipate no difficulty in getting the necessary funds from our friends, provided we can obtain from you the assurances which would be deemed requisite for the adequate protection of the property proposed to be secured, and these assurances would, in our opinion, require to be of the following nature:—

1. That the Concession to the Mouin is valid, and that he is thereunder entitled to effect the sale in question.

2. That whatever happens as between the Mouin and the Persian Government in respect of the future of the Concession, His Majesty's Government will see that every possible effort is made to prevent interference with the rights secured to the Company by their agreement with the Mouin under his Concession, and to see that the rights and interests of the debenture holders are respected.

3. That His Majesty's Government will unofficially do all they can in case of need to bring pressure to bear upon the Mouin or his successors to carry out his obligations under the contract.

4. That the Legation at Tehran shall be desired to watch the interests of the debenture holders, generally, and at their request from time to time communicate to the trustees of the debenture holders anything which may come to their knowledge affecting the person or property of the Mouin-ut-Tujar in such a manner as to prevent, or be likely to prevent, him from carrying out his obligations to the Company.

5. That His Majesty's Consul at Bunder Abbas shall be requested to act in a similar manner, and to report specially to the trustees of the debenture holders, at their request, from time to time, the progress of mining by the Mouin; that in case of need

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His Majesty's Consul will do all he possibly can to assist the said trustees, either by engaging men on their behalf to do the mining or otherwise to take such steps as they may reasonably ask for the protection of their interests.

In view of the special interests which we understand you have in seeing this or a similar scheme successfully carried through, independently of the interest you always take in the enterprise of British subjects, we trust you may see your way to give the assurances asked for, or such assurances as will enable us to convince our friends that His Majesty's Government will see that they do not lose their money from any of the causes mentioned, or other causes of a similar nature.

In conclusion, we may add that we have been in business connection with the Mouin for a period of over twenty years, during which time we have always found him extremely capable and a man of undoubted integrity. We have, personally, every confidence in his fulfilling any obligations he may undertake.

We have of recent years always been periodically hampered in our transactions with the Mouin by the offers made by subjects, and even the Legations, of foreign Powers to purchase the oxide at values far in excess of the commercial value of the oxide.

We think that, under the proposed arrangement this continual political intrigue under a commercial cloak would cease, and our position as regards our commercial and financial relationships with the Mouin would be consolidated.

We are of opinion that the arrangement would be of considerable advantage to the Mouin, as it would secure to him, through the debenture holders, British protection of his property and further British protection of his ordinary shares in a British Company.

We also venture to think that the proposed scheme would be greatly to the advantage of His Majesty's Government, who would acquire an unassailable right to protect the property of English subjects on the Island of Ormuz.

It is clearly understood that any reply with which you may favour us will be considered as strictly private and confidential, and will only be exhibited to such names as you may approve.

We shall be glad to hear from you at your early convenience, and meanwhile remain, yours faithfully,

(Signed) ELLINGER AND Co.

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No. 84.

Messrs. Ellinger and Co. to Foreign Office.—(Received October 21.)

Dear Sir,

28, Oxford Street, Manchester, October 18, 1907

WITH reference to the accompanying letter in regard to the Moin-ut-Tujjar's Concession in Ormuz, we should be obliged if you could inform us as to the terms of the Concession and its duration.

We are, &c.
(Signed) ELLINGER AND Co.

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No. 85.

Mr. Marling to Sir Edward Grey.—(Received October 21.)

(No. 200. Confidential.)
(Telegraphic.) P.

Tehran, October 21, 1907.

PERSONAL loan to the Shah of 150,000 tomans.

With reference to my telegram No. 296 of the 15th instant, I yesterday inquired of Russian Minister about the matter, and observed that the transaction would, in my opinion, be infallibly misrepresented here if it became known. It would injure rather than assist His Majesty, as it would be taken to imply an intention to support the Shah against the Assembly.

M. de Hartwig replied that as, on similar security, a personal loan would be readily granted to any one else, there was no possible reason why it should be refused to the Shah by the Russian Bank. In order to meet heavy Court expenses, money was really required by the Shah. He added that he would do nothing to prevent the loan, that he was ready to avow the whole transaction, and that he did not care what

was the effect on public opinion. Russia could not disregard her formal engagements to maintain the Kajar Dynasty. In theory strict abstention from interference in internal affairs was very well, but it could be pushed too far, and he meant to stop short of the point where it really favoured one party.

I said that I must adhere to my views as to the bad results of the proposed loan, and that I could not abandon our present attitude of strict non-interference.

The Russian Minister, who spoke with considerable vehemence, like a man trying to persuade himself against his better judgment, continued that relations with the Persian Government were becoming impossible. The Assembly did not in the least understand that, owing to the existence of capitulations, &c., Persia was not as other nations, and no business could be done except after discussion in the Assembly. The Ministers were timid and incompetent. The President of the Assembly practically dominated the situation, and he, moreover, was, the Russian Minister asserted, much under German influence, evidence of which was apparent in many places. It was time to try to counter German influence and to give the Assembly a sharp check.

May I suggest that, should you decide to make representations at St. Petersburg, it should appear that it is solely from London that they have been initiated? My relations with the Russian Minister may otherwise suffer, and his reticence may be increased.

[34896]

No. 86.

Mr. Marling to Sir Edward Grey.—(Received October 21.)

(No. 301.)

(Telegraphic.) P.

Tehran, October 21, 1907.

THE line which Russian Minister proposes to take as regards non-interference (see my immediately preceding telegram) would be fatal to prospects of effecting the exchange of telegraph lines, referred to in your despatch No. 170 of the 12th instant.

The Assembly is still very sensitive about the Agreement, and the present Cabinet is too weak to attempt to do anything without its approval (the Cabinet is likely to be reconstructed shortly, but I doubt an early change in the temper of the Assembly). I therefore agreed with M. de Hartwig's view that the present moment is unsuitable for approaching the Persian Government on the Telegraph-line Agreement. He has informed his Government to this effect.

[34897]

No. 87.

Mr. Marling to Sir Edward Grey.—(Received October 21.)

(No. 302.)

(Telegraphic.) P.

Tehran, October 21, 1907.

THERE have been disturbances at Ispahan and Shiraz. A band of 100 brigands captured a very large caravan on the Ispahan road. The Yezd roads are also unsafe. There have been serious riots at Kerman, where the Imperial Bank of Persia was attacked, but without sustaining loss. The Minister for Foreign Affairs acknowledges his Government to be impotent.

I see no signs of anti-foreign feeling, but the state of the country is sensibly worse.

[34840]

No. 88.

Foreign Office to India Office.

Sir,

Foreign Office, October 21, 1907.

I AM directed by Secretary Sir Edward Grey to inform you that, in accordance with the request contained in your letter of the 18th instant, he caused a request to be conveyed to the Euphrates and Tigris Steam Navigation Company, Limited, that they would instruct their local agents to render to the officer in command of the Royal India Mail steamer "Comet" any assistance of which he might stand in need on the occasion of that vessel's visit to Ahwaz.

Sir E. Grey has now received a letter from the Company, stating that they telegraphed orders to that effect on the 18th instant to their agents at Ahwaz and Bussorah.

I am, &c.
(Signed) LOUIS MALLET.

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No. 89.

Consul-General Wratislaw to Sir N. O'Connor.—(Communicated by Sir N. O'Connor, October 22.)

(No. 19.)
(Telegraphic.) P.

Urumia, October 15, 1907.

TURCO-PERSIAN frontier.

Following is Taher Pasha's report:—

Turkish troops arrived and made Mergavar their head-quarters eighteen months ago. Parties of them collected taxes in Dasht, Mergavar, and Tergavar. Persian expedition violated Turkish territory in July. Turkish troops were forced to drive them back, and in so doing effectively occupied all Tergavar as well as Mawana village. In Baradost district Turkish troops were once at Korana, and have been at Serdic and Siro ten years at least. Rabat was occupied more than three months ago. Head-quarters were moved to Ghenghetchin one and a-half months ago, and they are still there. Tax-collecting parties have been from there throughout Baradost, and were at Sinjeh, Oulieh, and Appolian sixteen days ago.

Yesterday, at my urgent request, Taher Pasha undertook to telegraph this immediately to the Sultan. He had meant to write only, as he did originally.

Turks contend strongly that districts above enumerated were never effectively occupied or administered by the Persian Government, and so Taher Pasha would not admit they have been "under Persian jurisdiction hitherto," but his giving dates of Turkish occupation makes the inference possible. He confessed he had been mistaken in telling me Turkish troops had occupied Dasht-i-bel district in Ushnu. They did go to buy provisions, but have now been recalled. Soldiers sent by mistake to Benmud were recalled also. He insists, however, that Ushnu is Turkish, and will if necessary be occupied.

Baradost district is not understood by Persians in so wide a sense as by Turks. Latter include in it a number of villages attached to Somai or Urumia.

Pasha and military officers evidently doubt whether their action in attacking Persian military ambulance was correct. They ask me to report favourably.

There is no hope of anything being done here as to Dervish Pasha's map being dropped. I have used every argument in vain. I suggested to Taher Pasha he might telegraph criticisms of its efficacy to Constantinople, but he rejected even this, saying he would risk his position in the Turkish service, which he values highly, if he disobeyed precise instructions.

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No. 90.

Consul-General Wratislaw to Sir N. O'Connor.—(Communicated by Sir N. O'Connor, October 22.)

(No. 20.)

(Telegraphic.) P.

Urumia, October 16, 1907.

TURCO-PERSIAN frontier.

I learn from Russian Vice-Consul that military authorities at Tiflis have instructed him to point out to Russian officer Ushakof, on his arrival, special importance of certain particular points on frontier. Persian Commissioner will be accompanied by Ushakof, who is in Persian employment.

(The above is confidential.)

[34531]

No. 91.

Foreign Office to Treasury.

Sir,

Foreign Office, October 22, 1907.

I AM directed by Secretary Sir E. Grey to state, for the information of the Lords Commissioners of the Treasury, that he has been in consultation with Mr. Secretary Morley respecting the situation at Ispahan and Ahwaz, and that he has arrived at the decision that it is necessary, in view of the disturbed state of affairs at those places, to increase the Consular guards.

The Russian Government have already raised the number of their Consular guard at Ispahan. At Ahwaz an increase in the British Consular guard is essential with a view to the protection of the British subjects engaged in prospecting for oil in the neighbourhood, an undertaking which, it is hoped, will open up a wide field for British enterprise.

In these circumstances I am to express the earnest hope that you will move the Lords Commissioners to sanction the payment of one-half of the estimated expenditure, which is stated to be 268*l.* initial and 580*l.* a-year recurring on account of Ispahan, and 533*l.* 6*s.* 8*d.* initial and 1,920*l.* a-year recurring on behalf of Ahwaz. In the case of Ahwaz the sums quoted are exclusive of transport charges.

In view of the critical situation in the localities in question, I am to request that a reply may be returned to this letter as soon as possible.

I am to add that these increases should not be regarded as permanent.

I am, &c.
(Signed) LOUIS MALLET.

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No. 92.

India Office to Foreign Office.—(Received October 23.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of inclosures in a letter from the Foreign Secretary to the Government of India, dated the 19th September, relative to the Abu Musa Red Oxide Concession.

India Office, October 22, 1907.

Inclosure 1 in No. 92.

Government of India to Major Cox.

(Telegraphic.)

Simla, September 3, 1907.

WE repeated to Secretary of State on the 28th August your telegram of the 22nd August about Abu Musa, with following addition:—

"As concessionaire is British subject . . . force is used."

Following reply, dated the 30th August, received:—

"Abu Musa . . . to remove voluntarily."

We think that in event of forcible removal of concessionaire and miners being necessary best course might be to arrange that Lieutenant Gabriel, who is now at Kurrachee, should proceed in gun-boat to Abu Musa to watch proceedings of Sheikh's retainers. He might also arrange for delivery of written notice from Sheikh to concessionaire if no such notice has already been sent. We are sending papers to Lieutenant Gabriel to enable him to be ready should you concur. Please telegraph your opinion on this suggestion.

Inclosure 2 in No. 92.

Major Cox to Government of India.

(Telegraphic.)

Shiraz, September 7, 1907.

UNLESS I hear to the contrary, I will send to Muscat by the mail of the 9th September a Residency munshi whom Gabriel knows. If it is decided to depute latter, please instruct him to pick munshi up, as it is undesirable that he should be dependent on unqualified man for interpreter, possibly illiterate. It will be convenient also that Foreign Department should provide him with notice. My telegram of the 5th April, 1907, in such terms considered necessary.

Inclosure 3 in No. 92.

Major Cox to Government of India.

(Telegraphic.)

Shiraz, September 7, 1907.

ABU MUSA Island: Your telegram No. 410.

So far as I know, Sheikh's notice of cancellation, dated the 21st February, is the only formal document which has been delivered to the concessionnaire. I have never sent any communication to the latter on the subject except an *ad interim* acknowledgment of the receipt of his original appeal for assistance. If, as I understand, there is no longer any objection to our appearing in the matter, I think that the Sheikh's notice of intended eviction should be delivered by Residency Agent, Lingah, or by Gabriel, accompanied by a written or verbal communication from Residency to the effect that if he fails to comply with notice Sheikh will have our approval to eject him and we will support him in enforcing it. I am inclined to believe that concessionnaire would accept situation in all probability. If he says that he will comply, he might be informed that gun-boat will be sent after short interval in order to make sure that his miners have been removed.

Whether Sheikh's notice of eviction should be delivered by Residency Agent, Lingah, or by Gabriel in "Sphinx," and whether our accompanying warning should be written or verbal, seems to depend largely on our intended attitude in the matter *vis-à-vis* Germans, and this point can best be decided by the Government of India. I have little doubt that anything written to concessionnaire will be shown to the Germans by him.

Inclosure 4 in No. 92.

Government of India to Major Grey.

(Telegraphic.)

Simla, September 14, 1907.

PLEASE instruct Residency munshi sent by Cox to Muscat to join Gabriel Bunder Abbas as soon as possible if he has not already done so.

Inclosure 5 in No. 92.

Government of India to Major Cox.

(Telegraphic.)

Simla, September 14, 1907.

ABU MUSA Concession: Please see your telegram dated the 7th September.

A written notice, signed by the Sheikh, should be sent to the concessionnaire requiring removal of himself and workmen from island within stated time. Notice should be delivered as soon as possible by the Sheikh's man in the presence of the Residency Agent, Lingah, who should simultaneously deliver the verbal communication suggested in your telegram of the 7th September. Written notice might be in following terms, but should be written by Sheikh and not by our munshi:—

"Whereas I, Sheikh Sagar-bin-Khalid of Shargah, did by an Agreement dated the 18th Zil Kedah, 1315 (10th April, 1898), agree to lease all the red oxide mines situated on the Bu Musa Island to Haji Hassan-bin-Ali Samaiyeh, Abdulla-bin-Hasan, and Esa-bin-Abdul Latif;

"And whereas the aforesaid Agreement contained no provision permitting the grant of a monopoly of the red oxide to other parties without my consent;

"And whereas the said Haji Hassan-bin-Ali Samaiyeh did, on the 1st Junc, 1906, without my consent make a contract with Mr. Robert Wonkhaus, of Lingah, granting to him the entire monopoly of Bu Musa oxide;

"And whereas the said Haji Hassan-bin-Ali Samaiyeh was informed by me, in my letter dated 9th Mohurum, 1325 (21st February, 1907), that the Agreement dated the 18th Zil Kedah, 1315, was cancelled, and that he had no longer any right of enjoyment in regard to the mines of Bu Musa;

"And whereas, notwithstanding the notice so given, the said Haji Hassan-bin-Ali Samaiyeh has continued up to this day to work the mines of Bu Musa, and to enjoy the produce thereof;

"Now, therefore, the said Haji Hassan-bin-Ali Samaiyeh is hereby informed that he is required to cease forthwith from his work on the mines and to remove himself and his workmen, machinery, and all instruments for mining from the Island of Bu Musa within ten days from the date of the delivery to him of this notice."

Residency Agent should immediately report to you and to Lieutenant Gabriel date of delivery to concessionnaire of Sheikh's notice, and Lieutenant Gabriel should arrange to visit Abu Musa in gun-boat on the 10th day from delivery of notice, accompanied by whatever force of Sheikh's men may be thought necessary, and should see whether concessionnaire and his miners have removed, and if not watch their forcible removal. In either event, Sheikh should be advised to leave for present small armed garrison on island sufficient to prevent British concessionnaire and miners regaining possession. Lieutenant Gabriel should telegraph to Government of India direct reports on progress of proceedings. Munshi sent by you to Muscat ordered to join Lieutenant Gabriel at Bunder Abbas.

(Repeated to Lieutenant Gabriel.)

[35019]

No. 93.

India Office to Foreign Office.—(Received October 23.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 16th October, relative to the recent seizure of an arms caravan in the Kacha Gorge.

India Office, October 22, 1907.

Inclosure in No. 93.

Mr. Morley to Government of India.

(Telegraphic.) P.

India Office, October 16, 1907.

WITH reference to your telegram of to-day's date regarding the Amir's letter as to the arms caravan seized in Kacha Gorge. The incident at the present moment is terribly unfortunate, but I do not see what other answer is possible than that which you propose. Certainly, until the Convention is through, it should be deferred as long as possible. Perhaps it may be possible to raise later the general question of the illicit traffic in arms, especially with the tribes. The importance of the question is fully realized by me.

[35206]

No. 94.

Sir A. Nicolson to Sir Edward Grey.—(Received October 24.)

(No. 219.)

(Telegraphic.) P.

St. Petersburg, October 24, 1907.

I HAVE received confidential letter from M. Goubastoff, stating that Persian Government have been informed by French Legation at Tehran that M. Bizot will advise them in all measures, administrative and financial, which may be taken with the

view of re-establishing Persian finances, and that he will fulfil any confidential mission in Persia or abroad which may be confided to him with that object.

In the view of the Russian Government this formula presents grave inconveniences, it is not definite or concise enough, and the Financial Adviser would have almost unlimited liberty of action in all financial questions, consequently Russian and British financial interests in Persia might thereby be affected. In order that those interests may be protected, Russian Government consider it very necessary that such modifications should be introduced into the formula as would determine within precise limits the exact extent of Financial Adviser's functions.

Russian Government desire to instruct Russian Minister at Tehran in the above sense, but before doing so they would be glad to learn views of His Majesty's Government, in order that, should you approve, the two Representatives may be directed to take common action, and concert with their French colleague with a view to modifying M. Bizot's contract as proposed.

Copy of M. Goubastoff's letter goes to you by messenger to-day.

[34977]

No. 95.

Mr. Marling to Sir Edward Grey.—(Received October 24.)

(No. 304.)

(Telegraphic.) P.

Tehran, October 24, 1907.

I AM urging the prompt departure of the Persian Commissioner to the Turco-Persian frontier, but he tells me that he will not leave for a week at least.

[35210]

No. 96.

Mr. Marling to Sir Edward Grey.—(Received October 24.)

(No. 305.)

(Telegraphic.) P.

Tehran, October 24, 1907.

HIS Majesty's Vice-Consul at Ahwaz has sent, through Bushire, the following telegram, dated the 21st instant, on the subject of the employés of the Oil Syndicate. Please inform latter :—

"I have arrived at Batwand; and to-day I have had the two principal culprits in Harris' case soundly flogged and ejected with their families from the village, with the help of the Khan's agents, and with excellent immediate local effect.

"I am proceeding to Dizful, and hope to reach Ahwaz before the end of the month.

"I am writing to the Khans about the Shardin incident recently communicated to you by Mr. Reynolds. I am also repeating my demands for the improvement of the guards, which are unsatisfactory."

[35207]

No. 97.

Mr. Marling to Sir Edward Grey.—(Received October 24.)

(No. 306.)

(Telegraphic.) P.

Tehran, October 24, 1907.

BAKHITIARI bridges.

HIS Majesty's Vice-Consul at Ahwaz has addressed the following telegram to this Legation through Bushire, dated the 21st instant :—

"The line I took with the Khans has been stultified by my having found on the way down that the bridges had already been repaired and painted by Lynch's engineer, who had returned to Ahwaz.

"The Company has, without previously informing me of their intention, forestalled discussion of matter with the Khans, and I strongly expostulate against their action."

[34987]

No. 98.

Sir Edward Grey to Sir N. O'Connor.

(No. 144.)

(Telegraphic.) P.

Foreign Office, October 24, 1907.

WHAT steps do you recommend to secure evacuation of Persian territory on Turco-Persian frontier by Turks, having regard to Taher Pasha's attitude, as reported in telegram of the 15th instant from Urumia?

[35206]

No. 99.

Sir Edward Grey to Sir A. Nicolson.

(No. 260.)

(Telegraphic.) P.

Foreign Office, October 24, 1907.

FRENCH Financial Adviser in Persia. Please refer to your telegram No. 219 of the 24th instant.

Objections raised by Russian Government are met, so it appears to us, and conditions laid down by them secured, if French Government gives general instructions to Adviser in sense proposed by French Minister at Tehran (please refer to telegrams Nos. 293 and 295 of the 10th and 14th instant from Mr. Marling).

Having brought this proposal to their notice, you might ask them if they do not consider it as satisfactory, and in what way they would propose to alter formula of French communication to Persian Government by modifications.

[34866]

No. 100.

Sir Edward Grey to Mr. Marling.

(No. 146.)

(Telegraphic.) P.

Foreign Office, October 24, 1907.

PLEASE refer to my telegram No. 164 from Sir C. Spring-Rice respecting Hormuz Oxide Concession to Moin-ut-Tujar. Is there any probability that Concession will be annulled? Is it held only for his life or in perpetuity?

Please send telegraphic summary of terms of Concession.

[35242]

No. 101.

Treasury to Foreign Office.—(Received October 25.)

Sir,

Treasury Chambers, October 24, 1907.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Langley's letter of the 22nd instant, on the subject of the proposed increase of Consular guards at Ispahan and Ahwaz.

In reply, I am to request that my Lords may be furnished with further explanations (together with copy of the relative correspondence with the India Office) in regard to the necessity for such increases, particularly at Ispahan, which, under the recent Convention, is recognized as being within the Russian sphere of influence.

I am also to ask (1) what is the strength of the existing guard at each place; (2) what additions are proposed; and (3) whether the figures given in the letter under reply represent the gross cost or the moiety which would be chargeable against Imperial funds.

In conclusion, I am to advert to the first paragraph of Sir E. Gorst's letter of the 14th February last, and to inquire whether Secretary Sir E. Grey is yet in a position to favour their Lordships with his observations on the general questions raised in Treasury letter of the 25th January last.

I am, &c.
(Signed) E. W. HAMILTON.

[35310]

No. 102.

Sir A. Nicolson to Sir Edward Grey.—(Received October 25.)

(No. 221.)

(Telegraphic.) P.

St. Petersburg, October 25, 1907.

FRENCH Financial Adviser in Persia: Referring to your telegram No. 260 of the 24th instant.

M. de Hartwig has just telegraphed to M. Goubastoff proposal of French Minister at Tehran with regard to general instructions to be given to Financial Adviser. In the opinion of M. Goubastoff the matter would be covered by such instructions, but he will let me know his final opinion as soon as possible. The Minister of Finance will, I imagine, have to be consulted first.

[35288]

No. 103.

Mr. Marling to Sir Edward Grey.—(Received October 25.)

(No. 307.)

(Telegraphic.) *En clair.**Tehran, October 25, 1907.*

NEW Ministry has been formed under presidency of Nasr-ul-Mulk, reappointed Minister of Finance. Most important members are Mushir-ed-Dowleh, son of late Mushir-ed-Dowleh, Foreign Affairs; Sani-ed-Dowleh, Interior; Mukhiber-es-Sultaneh, Justice.

[35352]

No. 104.

Sir N. O'Connor to Sir Edward Grey. (Received October 26.)

(No. 658.)

Sir,

Constantinople, October 21, 1907.

I HAVE the honour to forward herewith copies of two telegrams from His Majesty's Consul at Urumia relating to Turco-Persian frontier.

I have, &c.

(Signed) N. R. O'CONOR.

Inclosure 1 in No. 104.

Consul Wratistlaw to Sir N. O'Connor.

(Telegraphic.) P.

Urumia, October 17, 1907.

I AM informed by the Governor of Urumia that the town of Ushnu was occupied last week by Turkish troops. I think there is no doubt that such Persian control as formerly existed has been thrown off by the Kurds inhabiting the district in question, but, in view of the Turkish Commissioner's recent assurance to the contrary, I cannot be sure of the correctness of the Governor's information, which was indirectly obtained. I will go there myself to find out if you think the matter important enough. The journey may be attended with some little danger.

Inclosure 2 in No. 104.

Consul Wratistlaw to Sir N. O'Connor.

(No. 22.)

(Telegraphic.) P.

Urumia, October 19, 1907.

TURKISH Commissioner has written to me that the points on which we conversed (see my telegram No. 19) were included in his telegram to Constantinople, so I presume he reported my prophecies of the grave results which are likely to ensue if the Turkish troops are not withdrawn from Persian territory, and the objections to Dervish Pasha's map.

[35438]

No. 105.

Sir A. Nicolson to Sir Edward Grey.—(Received October 26.)

(No. 222.)

(Telegraphic.) P.

St. Petersburg, October 26, 1907.

WITH reference to your telegram No. 261 of the 25th instant, repeating Mr. Marling's No. 300, as we have explained the reasons which prevent us from participating in the loan to the Shah, I am of opinion that the matter had better be left as it is. I venture to suggest that no representations be made here in regard to the loan, but that the Russian Government be left to take what course they please in the matter.

[35437]

No. 106.

Mr. Marling to Sir Edward Grey.—(Received October 26.)

(No. 308.)

(Telegraphic.) P.

Tehran, October 26, 1907.

MOIN holds in perpetuity the Oxide Concession referred to in your telegram No. 146 of the 24th instant. There is no immediate probability of the Concession being annulled. The Firman was given in 1904, as well as a Rescript of the late Shah confirming it. Both of these documents have been seen by Abbas Khuli Khan. Moin pays annually about 32,000 tomans as royalty.

[35439]

No. 107.

Mr. Marling to Sir Edward Grey.—(Received October 26.)

(No. 309.)

(Telegraphic.) P.

Tehran, October 26, 1907.

IT is the popular notion that the French Financial Adviser comes on purpose to establish the National Bank.

There is already some suspicion that he may be influenced by France's ally, and it is quite probable that he might, after all, be declined if M. Bizot should be expressly forbidden from assisting in that work by modifications of contract desired by Russia.

[35481]

No. 108.

Sir C. Spring-Rice to Sir Edward Grey.—(Received October 28.)

(No. 211.)

Sir,

Gulahek, September 17, 1907.

WITH reference to my despatch No. 152 of the 16th July, I have the honour to transmit herewith copies of Messrs. Lynch's accounts with the Bakhtiari Khans, which I have forwarded to His Majesty's Vice-Consul at Ahwaz for official presentation to the responsible Chiefs. The claims are:—

1. In respect of expenses incurred for inspection and repairs of two bridges on the Ahwaz-Isfahan road;
2. In respect of instalments and interest due on a capital expenditure of 5,500l.

The modifications in the claims put forward by the Persian Transport Company, sanctioned by your telegram No. 92 of the 12th August, have been introduced into both categories.

In communicating the accounts to Captain Lorimer, I have instructed him to use every effort in order to obtain their early settlement.

I have, &c.

(Signed) CECIL SPRING-RICE.

Inclosure 1 in No. 108.

**ACCOUNT of Expenses incurred for Inspection and Repairs to the Bridges on the
Bakhtiari Road between Ahwaz and Isfahan.**

		<i>Dr.</i> — Krans.	<i>Cr.</i> — Krans.
July 8, 1902 ..	Expenses of Mr. Glanville's journey in May to July 1902 as per account dated July 8, 1902. . .	3,062·55	
	By paid into bank by Mr. Preece .. ..	..	4,601·50
December 31, 1904 ..	To balance carried down	1,538·95	
		4,601·50	4,601·50
January 1, 1905 ..	By balance brought down .. ..	..	1,538·95
March 3, 1907 ..	Interest for 2 years and 62 days at 6 per cent. ..	..	200·36
September 10 to October 26, 1903 ..	To expenses of Mr. Barlow's journey in 1903 as per account rendered	4,346·65	
March 3, 1907 ..	Interest for 3 years and 128 days at 6 per cent. ..	873·85	
May 22 to September 9, 1904 ..	To expenses of Mr. Barlow's journey in 1904 as per account rendered	14,995·17	
March 3, 1904 ..	By balance carried down .. ..	..	18,476·36
		20,215·67	20,215·67
March 3, 1907 ..	To balance brought down, 18,476·36 krans.		

Inclosure 2 in No. 108.

Account showing Amount due for Instalments and Interest by the Bakhtiar Chiefs up to March 3, 1907, on 5,500/.

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ACCOUNT SHOWING Amount due for Instalments and Interest by the BAKHTIARI Chiefs up to March 3, 1907, on 5,000l.										
Dr.					Cr.					
			£	s.	d.			£	s.	d.
1901	1st instalment ..	..	..	..	..	July 23, 1903	Paid into bank at Isfahan, 15,000 krans at 55-20..	271	14	9
	Interest on capital expenditure at 6 per cent. ....	..	..	..	..		Interest to March 3, 1904, 223 days at 6 per cent.	9	19	2
1902	Interest on arrears at 6 per cent. ..	..	..	..	..	Sept. 1, "	Paid into bank at Isfahan, 25,000 krans at 55 ..	454	10	10
	2nd instalment ..	..	..	..	..		Interest to March 3, 1904, 183 days at 6 per cent.	13	13	5
	Interest on capital ..	..	..	..	..	Nov. 9, "	Paid into bank at Isfahan, 10,000 krans at 54-75..	182	13	0
	Interest on arrears at 6 per cent. ..	..	..	..	..		Interest to March 3, 1904, 114 days at 6 per cent.	3	8	5
1903	Interest on arrears at 6 per cent. ..	..	..	..	..		Interest for 1 year on 935l. 19s. 7d., from March 3, 1904, to March 2, 1905, at 6 per cent.	935	19	7
	3rd instalment ..	..	..	..	..			56	3	2
	Interest on capital ..	..	..	..	..	
1904	Interest on arrears at 6 per cent. ..	..	..	..	..	May 31, 1904	Amount received per His Britannic Majesty's Legation ..	742	0	0
	4th instalment ..	..	..	..	..		Interest to March 2, 1905, 275 days at 6 per cent.	33	10	9
	Interest on capital ..	..	..	..	..	Sept. 17, "	Paid into bank at Isfahan, 30,000 krans at 58-75..	515	14	10
	Interest on arrears at 6 per cent. ..	..	..	..	..		Interest to March 2, 1905, 166 days at 6 per cent.	14	1	5
1905	5th instalment ..	..	..	..	..			1,305	7	0
	Interest on capital ..	..	..	..	..			2,297	9	9
	Interest on arrears at 6 per cent. ..	..	..	..	..		Balance debtor ..	662	15	3
	Interest on capital ..	..	..	..	..			2,960	5	0
1906	Balance of arrears, March 3, 1905 ..	..	..	..	..	Nov. 11, 1905	Paid into bank at Isfahan 27,283 krans at 60 ..	454	14	5
	Interest on arrears for 1 year to March 2, 1906, at 6 per cent. ..	..	..	..	..		Interest to March 2, 1906, 111 days at 6 per cent.	8	5	9
	6th instalment ..	..	..	..	..	Mar. 3, 1906..	Balance due at this date ..	723	10	5
	Interest on capital ..	..	..	..	..			1,186	10	7

ACCOUNT showing Amount due for Instalments and Interest, &c.—(continued).

Dr.	Cr.	£ s. d.			£ s. d.		
		£	s.	d.	£	s.	d.
1907 ..					462	19	3
Balance of arrears, March 3, 1906 ..							
Interest on arrears for 1 year to March 2, 1907 ..							
at 6 per cent. ..		13	5	3			
7th instalment ..		220	0	0	6	3	4
Interest on capital ..		250	16	0			
					768	12	1
Mar. 3, 1907 ..							
To balance due at this date 768/12 1/4 ..							
equivalent to 41,888/18 kranas at 54/5 kranas to the £.							
							1,237 148

[35482]

No. 109.

Sir C. Spring-Rice to Sir Edward Grey.—(Received October 28.)

(No. 212.)

Gulahek, September 21, 1907.

Sir,

IN my despatch No. 191 of the 10th instant I alluded to two incidents which appeared to throw a disagreeable light on the attitude of the Belgian Customs officials towards British interests.

I have spoken on the subject to the Persian Ministers of Finance and Foreign Affairs; to M. de Hartwig; to the Belgian Chargé d'Affaires; and to M. Mornard, the Belgian Administrator of the Customs.

The latter has promised to remove M. Cattersel from Bunder Abbas and to give him an appointment at some port in the north of Persia, where he cannot come into conflict with British interests. His action at Bunder Abbas, and subsequently at Seistan, amply justifies the demand that he should not again have an opportunity of coming into collision with English officials, or of impeding British commerce. His reappointment to Bunder Abbas, where is stationed a Russian official whose anti-British activities are notorious, was significant, and I had to point out to M. Mornard that if such appointments were made by his Department it would become necessary to call the attention of the Belgian Government to the policy pursued in Persia by the Customs officials sent here by the Belgian Ministry of Finance.

With regard to M. Duhem, I had to make yet stronger representations. It appears that this official, a former "sous-officier" of infirm health and violent temper, has recently lost no opportunity of making himself disagreeable to the British officials in Seistan. I may add that he recently sent a telegram *en clair* complaining of the Karguzar for not reporting on the menacing movements of the British troops at Kuh-i-Malik Siah, a fact acknowledged by M. Mornard, who agreed that in doing so he had exceeded the limits of his duties.

He employs, in connection with the Customs service, sowars belonging to Pasand Khan, a local Chief paid by the Russians, for his services in guarding the telegraph line. These sowars appear to think it their duty to show hostility to the British on every possible occasion. They recently attacked and insulted a party of Indian sowars returning to India from Meshed; and M. Duhem not only defended their action, but actually gave orders to prevent boats being supplied to the Indian sowars in order to cross the river. The Customs sowars declared that they had been wounded by the lances of the Indians, and this statement was indorsed by M. Duhem, although the Indian sowars did not carry lances and the Customs sowars were proved on examination to have been untouched, a fact of which M. Duhem must have been cognizant.

The Minister for Foreign Affairs fully shared the indignation which I expressed to him that a foreigner in the service of the Persian Government should have taken action on his own responsibility which was calculated to bring about a serious conflict between our Governments. He promised redress.

I informed M. Mornard of the steps which I had taken. He appeared to share my views, and promised to remove M. Duhem as soon as possible.

I understand from the Minister for Foreign Affairs and from the Belgian Chargé d'Affaires that such incidents are the direct result of M. Naus' influence over the Customs employés. He and his subordinate, M. Priem, who unfortunately is still in the country, though deprived of his post, appear to have impressed on the Customs officials that they should use their influence for political purposes, and as far as possible in the interests of Russia. M. Naus had, as you are aware, been intrusted in the autumn of 1906 with the loan negotiations which the Russian Ministry of Finance was desirous of continuing. He was actually summoned to St. Petersburg, and his mission was only prevented by the direct refusal of the Shah to intrust him with the negotiations.

These facts, which I have learnt from the late Mushir-ed-Dowleh and the Belgian Legation, are enough to show how intimate were the relations between M. Naus and the Russian Government. He no doubt had every reason to hope that the connection would be extremely profitable to himself, and that with Russian support he might expect an assured position as General Controller of the Persian Government. On leaving Persia he seems to have delegated to M. Priem the control over the Customs officials which he had vacated. The Belgian Legation has in vain protested against

the political part which has thus been imposed upon the Belgian Customs officials. They entirely refuse to accept advice from their Legation, and look to M. Priem for guidance.

M. Mornard, who is a quiet and sensible man, appears to appreciate the dangerous position to which such a policy would lead if persisted in; and is doing his best to put an end to it. Unfortunately the influence of M. Priem is greater than M. Mornard's, and one of his subordinates, M. Wibier, who is on close and intimate terms with M. Passek, of the Russian Legation, appears to continue the traditions of M. Naus.

M. de Hartwig assures me that he has given strict instructions to his Consul at Seistan not to permit any Persian paid by Russia in connection with the telegraph service to take employment in the Customs, and fully recognizes the gravity of the incident on the Seistan frontier.

Should other Belgian officials act as M. Duhem and M. Cattersel have acted, it may become necessary to bring the subject to the notice of the Belgian Government. Meanwhile I am glad to state that I have learned from the Minister of Finance that the old officials are being gradually weeded out, and that it is hoped that their successors will restrict themselves to their official duties as managers of the local Customs.

I have, &c.
(Signed) CECIL SPRING-RICE.

[35483]

No. 110.

Sir C. Spring-Rice to Sir Edward Grey.—(Received October 28.)

(No. 215.)

Sir,

Gulahek, September 24, 1907.

AS I had the honour to report in my telegram No. 277, I this day communicated to the Persian Government the text of the Anglo-Russian Agreement, to which I attached a Persian translation ("non garantie") drawn up in concert with my Russian colleague. I transmit to you herewith copy of the covering letter, which I sent with the text to the Persian Government with the concurrence of M. de Hartwig.

The latter was of opinion that we should state verbally, rather than in writing, that there were no secret clauses to the Treaty, holding that a written affirmation might create a precedent by which parties other than those signatory to any future Treaties might expect a similar declaration by the Contracting Powers, and declare themselves dissatisfied if it were not forthcoming. In this view, as reported in my above-mentioned telegram, I concurred.

I have, &c.
(Signed) CECIL SPRING-RICE.

Inclosure in No. 110.

Sir C. Spring-Rice to Saad-ed-Dowleh.

M. le Ministre,

Téhéran, le 24 Septembre, 1907.

CONFORMÉMENT aux instructions que j'ai reçues de mon Gouvernement, j'ai l'honneur de vous transmettre ci-joint le texte de l'Arrangement du 18 (31) Août, 1907, intervenu entre la Grande-Bretagne et la Russie, en tant que cet Arrangement a trait à des matières pouvant intéresser le Gouvernement Persan.

Pour faciliter la lecture de ce document, j'ai annexé au texte Français une traduction Persane (non garantie) de l'Arrangement.

Afin d'éviter tout malentendu, je crois devoir ajouter qu'il est bien entendu que c'est le texte Français qui fait foi.

Le texte de l'Arrangement sera officiellement communiqué aux Grandes Puissances, et la publication en aura lieu dans le plus bref délai.

Veuillez, &c.
(Signé) CECIL SPRING-RICE.

[35487]

No. 111.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 219.)

Sir,

Tehran, October 9, 1907.

THE dismissal of Saad-ed-Dowleh from the Persian Foreign Office, forced on the Shah by popular feeling, has been a severe blow to the Imperial prestige. The circumstances attending the Minister's fall have not, however, been without their humorous side.

In spite of the undoubted services which he rendered to the constitutional cause in its early days, Saad-ed-Dowleh was the object of the profound mistrust and dislike of the Assembly, which believed, probably with good reason, that his Excellency, who was, moreover, known to be on intimate terms with the Russian Legation, had undertaken to the Shah in return for his appointment as Minister for Foreign Affairs to rid His Imperial Majesty of the yoke of the Assembly. The first opposition came from the Minister's own Department, the officials of which, only a day or two after his accession to office, declined to serve under him. According to one account, the insubordinate staff were actuated merely by jealousy and personal interest. Under the indolent rule of Ala-es-Sultaneh, the real direction of the business of the Foreign Office had fallen into the hands of the Heads of Departments, who, with a few others, had formed themselves into a committee, controlling all appointments, and enjoying the lucrative spoils of the passport section. On taking office, Saad-ed-Dowleh lost no time in making these gentlemen understand that he would be master in his own Department, and he proceeded, further, to introduce friends of his own into some of the most responsible positions in the Department. Quarrels began on the very day of his first appearance, and the staff decided to make a bold effort to be rid of a too masterful Minister and of his intruding nominees. Another version represents the recalcitrant officials as devoted patriots, ready to sacrifice their careers rather than serve under a Minister known to be the friend of Russia, and believed to have sworn to destroy the newly acquired liberties of the country. Probably both motives were at work, but, be that as it may, the patriotic cry at once gained the sympathy of the public for the strikers.

Saad-ed-Dowleh was not, however, the man to surrender tamely, and with the support of the Shah set about forming a new staff. But the attempt failed, and Tehran enjoyed the diverting spectacle of a Minister for Foreign Affairs locked out of his own office.

On the 30th ultimo the President of the Assembly and Saad-ed-Dowleh were received in audience by the Shah, and Ehtesham-es-Sultaneh advised the Minister to resign. The latter stubbornly declined. The movement against him, he said, was the work of his bitter enemy Ala-ed-Dowleh, and so long as the Assembly made no specific accusation against him his duty, as a constitutional Minister of the Shah, was to retain office. The following morning the Russian Minister was received by the Shah and spoke in the Minister's favour, a step which could but defeat its own ends, as the Shah, isolated and powerless as he had become through the defection at that moment of the reactionary party, was in no position to resist the Assembly, while Russian intervention was calculated merely to exacerbate public feeling. On the 2nd instant Saad-ed-Dowleh appeared before the Assembly, and though he showed a brave front it was clear that his fall was inevitable. The same afternoon Ehtesham-es-Sultaneh waited on the Shah and informed His Majesty that the Assembly could not tolerate the continuance of Saad-ed-Dowleh in office. Even the Shah's habitual indecision could not save the Minister, and a few hours later his Excellency received an intimation that "his resignation was accepted." Ala-es-Sultaneh was reappointed Minister for Foreign Affairs.

The farce, however, is not over, for Saad-ed-Dowleh's nominees have succeeded in installing themselves at the Foreign Office, have turned the tables on the old staff, and Ala-es-Sultaneh now finds himself locked out of his office just as was his predecessor ten days ago.

As a climax to these absurdities, the Dutch Minister is trying to persuade his colleagues to make a simultaneous protest against the strike, on the ground that it interfered with the transaction of their business. The Russian Minister, who first told me of M. de Sturler's campaign, seemed to me to be somewhat in favour of a step of the kind, but changed his opinion on hearing that I would certainly not associate myself with such

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a proceeding, and this perhaps confirms the German Minister's surmise that M. de Sturler was acting on the instigation of M. de Hartwig, who may have hoped to retain Saad-ed-Dowleh's influence in the Foreign Office.

I have, &c.
(Signed) CHARLES M. MARLING.

[35488]

No. 112.

Mr. Marling to Sir Edward Grey.—(Received October 28)

(No. 220.)
Sir,

Tehran, October 9, 1907.

THE text of the Anglo-Russian Agreement was read to the Assembly at the morning sitting of the 5th instant, and a brief discussion of it ensued. The tone of most of the speakers was moderate, but they displayed a tendency to suspicion of its ultimate effects on Persia. The course of the debate had, as a matter of fact, been carefully arranged beforehand by the President and most prominent members of the House, who were anxious to prevent anything in the nature of a hostile demonstration.

A summary of the entire Agreement, which had been telegraphed to Tehran by Reuter's Agency, has appeared in translation in the principal local paper, the "Habl-ul-Matin," which also printed on the 8th October the full Persian text of the part relating to Persia, and of the joint note sent to the Persian Government by the British and Russian Legations on the 24th September. The "Habl-ul-Matin," which is supposed to be Saad-ed-Dowleh's organ, commenting on the Agreement, contains somewhat bitter attacks on Great Britain, an extract from which I have the honour to inclose.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure in No. 112.

Extract from the "Habl-ul-Matin" of October 8, 1907.

AFTER giving an account of the reasons which have led the British Government to obtain possession of the various positions controlling maritime communications between the British Isles and India, the writer lays stress on the importance, for strategic purposes, of Tibet, Afghanistan, and South-Eastern Persia. The article argues that Russia has, by the present Agreement, been cut off from all prospect of eventually reaching India by these routes, much to the satisfaction of the British nation as well as of a section of the Russian people which is opposed to all further foreign enterprise on the lines of the disastrous Manchurian policy.

Great Britain, having gained her own ends, the writer continues to say: "The liberty-loving patriots of England do not care two straws whether this ancient Empire becomes the plaything of a handful of actors in a political comedy. They are quite indifferent to the struggles of this nation which, having just awakened, is striving with all its might to obtain liberty and independence. They will look on with apathy if even this country is caught in the clutches of the powerful northern autocrat. But there are others in the world who are looking on—there are God-fearing men patriots who will shower curses upon those who have signed this unjust political Decree, and will not fail to declare it a base and treacherous act."

[35490]

No. 113.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 222.)
Sir,

Tehran, October 9, 1907.

ANOTHER instance of the pernicious activity of M. Duhem, the Belgian Customs Director in Seistan, to which Sir C. Spring-Rice invited your attention in his despatch No. 212 of the 21st ultimo has just occurred.

As was the case last year the unhealthy climate of Robat had made it necessary to transfer the troops posted there to Kacha, and the opportunity was at once utilized by M. Duhem to send in a report to Tehran that British troops had encroached on

Persian territory. Learning that a complaint based on this report was about to be made officially by the Persian Foreign Office, Sir C. Spring-Rice at once addressed a note to the Minister for Foreign Affairs, giving the real state of the case, and reminding his Excellency that the explanations which he had given in precisely similar circumstances had been accepted as perfectly satisfactory by the Mushir-ed-Dowleh, then Grand Vizier.

I mentioned the matter to Ala-es-Saltaneh, who had just replaced Saad-ed-Dowleh as Minister for Foreign Affairs, and his Highness agreed to consider the incident as closed.

I have, &c.
(Signed) CHARLES M. MARLING.

[35491]

No. 114.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 223.)
Sir,

Tehran, October 9, 1907.

I HAVE received your telegram No. 135 of the 11th October, informing me that you concur in Sir C. Spring-Rice's views respecting the maintenance of the post of Military Attaché at Meshed, and that you will inform the Indian Government that, pending further orders, Captain Smythe may be retained for six months more from the 20th October. For the reasons set forth in Sir C. Spring-Rice's despatch No. 168 of 24th July last, in which you have been good enough to express your concurrence, I trust that the post will in future be regarded as permanently established, and that should Captain Smythe be transferred at the end of these six months no time will be lost in replacing him.

I believe that in submitting the foregoing recommendations I am giving expression to Sir Cecil's own views.

I have, &c.
(Signed) CHARLES M. MARLING.

[35492]

No. 115.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 224.)
Sir,

Tehran, October 9, 1907.

THE Heshmet-ul-Mulk, whose return to Seistan as Joint Governor of that province and the district of Kain was frustrated by the Assembly in the spring, under the circumstances recorded in Sir C. Spring-Rice's despatch No. 79 of the 23rd April last, has again been intriguing with the same object. His motive on this occasion appears to be rather personal than political. As you are aware, the Acting Governorship of Seistan is in the hands of the Heshmet's son, and the family property in that province is therefore safe. The more valuable estates in Kain are, however, held by the Heshmet's half brother, Shaukat-ul-Mulk, who is also Governor of that province, and the Heshmet, who is notoriously financially embarrassed, is eager to gain possession of them. He contends that Shaukat-ul-Mulk, not being the son of a free woman, is not entitled to inherit these possessions, which should properly have reverted to himself, and he has obtained, probably by bribery, a pronouncement in his favour from Sheikh Fazlullah Mujtehed. Heshmet-ul-Mulk's return to those regions, with the certain intention of depriving Shaukat-ul-Mulk of his inheritance, could scarcely fail to produce disorders of a serious nature. His Majesty's Consul in Seistan, to whom Sir Cecil Spring-Rice referred the matter, is moreover strongly of opinion that from every point of view the return of the Heshmet is most undesirable. I therefore took an opportunity to mention the matter to the Minister for Foreign Affairs and to the President of the Assembly, and expressed the hope that in the interests of good order the Heshmet would not be allowed to return.

Ala-es-Sultaneh promised to use his influence in that direction, and Ehtesham-es-Sultaneh said that he would examine the question, and that for the present Heshmet-ul-Mulk would be detained in Tehran.

So far as I am aware no kind of Russian influence is at work in the matter, and M. de Hartwig, whom I have informed of the steps I have taken, declares he had no interest in the case.

I have, &c.
(Signed) CHARLES M. MARLING.

[35495]

No. 116.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 227.)

Sir,

Tehran, October 10, 1907.

THE profound change brought about by the defection from the Shah's Party of the reactionary leaders, of which you were apprised by Sir C. Spring-Rice in his telegram No. 285 of the 2nd October, is, I think, of sufficient interest to warrant a detailed account of the circumstances attending it.

There was little on the surface to indicate the sudden *volte face* of the reactionaries. The chief cause must undoubtedly be reckoned to be fear. The murder of the Atabek, which was the immediate cause of Sani-ed-Dowleh's resignation, and the suspicion that the sudden death of Mushir-ed-Dowleh was not due to natural causes, had unquestionably produced a very deep effect. The case of Nasr-ed-Din Shah notwithstanding, it may be said that the ruling classes have for long been exempt from assassination at the hands of the lower orders, so that the above-mentioned events, coupled with the consciousness of the existence of secret Societies whose members were ready to sacrifice their lives for what they were led to believe to be their country's good, could hardly fail to impress the minds of a set of people not particularly distinguished for personal courage. The Shah, who had been obliged to hush up an inquiry into the Atabek's death, was, moreover, obviously incapable of protecting them, and the ever-increasing popular hatred of the autocratic régime gave cause for apprehension that the vast riches accumulated by many of the reactionaries under the old system might some day be resumed by the Government in the name of the people. In the circumstances then it is not surprising that, with the Persian facility for deserting a failing cause, the reactionary leaders should have thought it prudent to throw in their lot, at all events formally, with the Nationalists. The three principal actors on the Constitutionalist side were the President of the Assembly, Ala-ed-Dowleh, and Amir-i-Azam, a nephew of Ain-ed-Dowleh, and a young man of some strength of character. On their invitation, a meeting of the highest Notables in Persia, including several members of the Kajar family, though none of the immediate relatives of the Shah, was held at Ala-ed-Dowleh's house in Tehran on the 27th ultimo, to consider the situation. Exactly what passed or what arguments were used to persuade the reactionaries is not accurately known, but in the result a Memorial, expressing the views of the meeting in the most uncompromising terms, was drawn up for presentation to the Shah. It stated plainly that persistence in his present attitude of hostility to the Assembly would endanger the Shah's throne and the dynasty, that the petitioners had made up their minds as patriots to work loyally with the Majlis, and that unless the Shah consented to do likewise they could no longer remain his servants. The Shah returned a verbose answer, which, in spite of the vagueness of its terms, was held to be a complete surrender, and from his taciturn, not to say sullen, demeanour at Sir C. Spring-Rice's farewell audience on the following morning, it was evident that His Majesty was much depressed.

The same morning the whole of the Reactionary Party attended the Assembly, and, headed by Jelal-ed-Dowleh, the eldest son of the Zil-es-Sultan, took an oath, fortified with all the anathemas which the Mujtahids could devise, to be loyal to the Constitution.

The Russian Legation professes to regard the reconciliation of the aristocrats with the popular party as a merely transitory episode, which cannot have lasting results. It is early yet to forecast how long the alliance will last, but Persian opinion seems to be that, for the moment at all events, the reactionaries are sincere enough, and that the Mejlis has scored an important and lasting victory.

I have, &c.
(Signed) C. M. MARLING

[35496]

No. 117.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 228.)

Sir,

Tehran, October 10, 1907.

I HAVE the honour to transmit herewith copy of a despatch from His Majesty's Vice-Consul at Ahwaz respecting the Concession for the Dizful-Burujird road; also of the Minute written on your despatch No. 112 of the 26th June last, on which Captain Lorimer's observations were invited.

It cannot be doubted that the opening up of this route as an artery of trade is highly desirable, both in the interest of British commerce and from the broader view of the development of means of communication in Persia. It must, however, I venture to think, be obvious that the present moment is most inopportune for pressing the fulfilment of Concessions held by foreigners. The National Assembly, whose position and influence in the country recent events have greatly strengthened, is notoriously hostile to the extension of foreign enterprise and the accumulation of foreign interests in Persia; the Government has not the means at its disposal—even had it the will—to establish order amongst the lawless tribes through whose country the road in question would pass. In these circumstances I fear that mere diplomatic pressure, however vigorously applied by this Legation, would be unequal to overcoming the apathy of the Government, still less to translating it into effective action in opposition to the recently awakened national sentiments of the popular party; and I cannot but think that His Majesty's Government would refuse to countenance the application of stronger and more material pressure, for which, indeed, there does not appear to be sufficient justification.

It was thought that a way out of the difficulty might be found by associating the British Company with a Persian Syndicate in the enterprise, and thus acquiring the co-operation of the Majlis through the influence of one of its most prominent members, the Moin-ut-Tujjar. The Persian Transport Company, however, adopted a *non possumus* attitude to this suggestion of co-operation with the Moin-ut-Tujjar under any conditions; and in view of that gentleman's previous record their mistrust must be regarded as perfectly justifiable; moreover, you will observe that Captain Lorimer concurs in their view that co-operation with the Moin-ut-Tujjar would be risky and unsatisfactory, for it is unlikely that the Moin himself would in any way be able to procure a modification of lawlessness of this nature, with which the National Assembly has proved powerless to cope. In view of these considerations I venture to think that it is not expedient to request the Persian Transport Company to modify their decision, and that the suggestion must now be regarded as abandoned.

I propose, therefore, subject to your approval, to take no further action in the matter; but I beg to suggest that the British Company be warned in a friendly manner that awkward questions may be raised in the Assembly in regard to their failure to exploit the Concession and their reluctance to share it with any one else, but assuring them that every effort will be made by this Legation to combat hostile comment, should such be made.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure 1 in No. 117.

Minutes on Foreign Office Despatch No. 112 of June 26, 1907.

(1.)

ABBAS KULI KHAN might see the Moin and sound him as to whether, in the event of Lynch sharing the Concession with a Persian Company, the latter would formally undertake not to alienate any of the rights they acquired without giving Lynch the option of resuming them. The Moin is unlikely to commit himself, as eventual sale at a large profit is almost certainly the end he has in view. I do not think we can lose anything by saying, and if by chance the Moin falls in with this view we could return once more to the charge with Lynch.

[1519]

If the road is to be built at all it is imperative that it should have a start of the Bagdad-Khanikin Railway and possible extensions.
Send to Lorimer for observations.

(Initialled) P. L. L.
C. S.-R.

(2.)

I spoke again to the Moin-ut-Tujjar on the 19th August about the Dizful-Burujird section of the road. He says that if this section of the road is transferred to him, or to the Persian Road Syndicate, it can be stipulated in the Agreement that it should not be alienated to any foreign Government or any foreign subject.

A. K.

Inclosure 2 in No. 117.

Vice-Consul Lorimer to Sir C. Spring-Rice.

(No. 67. Confidential.)

Sir,

Ispahan, September 5, 1907.

I HAVE the honour to acknowledge the receipt yesterday of your despatch No. 3, dated the 22nd August, 1907, forwarding Foreign Office despatch No. 112, dated the 26th June, 1907, with an inclosure relating to a proposal regarding the Concession for the road between Dizful and Burujird.

2. I should note first of all that, not having seen the original proposal, I can only gather that it was to the effect that the Persian Transport Company should sell or make over their entire rights in the section of the Ahwaz-Tehran road referred to, while still carrying out the practical work of construction and finding the funds for the same.

3. Being invited to offer observations I would state that, after a careful perusal of the papers, I find myself in general agreement with the views expressed by the Transport Company in their letter dated the 18th June, 1907.

In the first place, though I cannot claim an intimate personal knowledge of the Moin-ut-Tujjar, from what I have seen of his operations, and from the general opinion expressed of him by other Persians, I would judge that, while gifted with considerable plausibility, he is, even for a Persian, peculiarly deficient in sincerity and honesty in business. Apart therefore from in any way placing ourselves at his mercy, I would go further than the Transport Company and deprecate even admitting him to co-operation.

4. In the second place, granting his influence with the Majlis in Tehran, I question whether the Majlis is in the least degree capable of successfully tackling the question of introducing order into Luristan.

A capable Governor on the spot with a guarantee of the support of the authorities in Tehran, for what it is worth, might be able to accomplish something, and the only hope of the undertaking coming to fruition in Persian hands lies in this condition being secured; but there is no presumption that this condition would be insisted on were the promoters a Persian Company, whose members in all probability would be actuated by a thousand and one petty personal motives.

5. The Moin is constantly producing grandiose projects, but they are almost invariably still-born. Such have been the bridging of the Karun at Shuster, the rendering navigable of the Gerger between Shalaili and Shuster, and the construction of a tramway from the latter place to Band-i-Kil, to talk only of Arabistan. The one scheme which he has materialized, the placing of a steamer on the Lower Karun, has, as the Transport Company point out, not been peculiarly successful, though there he might be considered to hold the situation in his hands.

6. Again, taking a more general view of the question, I do not think that it would tend to enhance our consideration in the public esteem to ally ourselves with a man of the Moin's reputation, while to relinquish the initiation and management of the most difficult and important part of the road to him would be a most damaging confession of weakness and inferiority. I am not sure that it would not be preferable to sell the Concession outright and in its entirety, or to give it in exchange for some other more practicable one, always presuming that it were possible to guard against its falling into European hands or under European influence. Were, by some miracle,

the road kept open, we should have gained the real end in view—that of securing a route for our trade from the Gulf to Western Persia. From a business, as apart from a political, point of view, the weight of experience seems to show that the mere control of roads in Persia is much more productive of trouble than of direct or indirect remuneration.

7. If the road is to be opened, it is, in my opinion, desirable either that we should be the sole principals, or that we should entirely renounce all connection with the undertaking.

A road through a dangerous country, controlled in sections by different authorities, seems to offer the prospect of constant friction between those authorities. Supposing the case, which would certainly occur, of the Transport Company booking cargo through from Ahwaz to, say, Hamadan, and of this cargo being robbed, damaged, or detained on the section of the road controlled by the Persian Company, is it probable that their claims would ever obtain satisfaction in present-day Persia?

8. To sum up, it is extremely unlikely, in my opinion, that a Persian Company could open, or, having opened, could keep open and moderately secure, the Luristan road; and I believe that any attempt to conclude a bargain with the Moin-ut-Tujjar, or to work in any form of partnership with him, would in the one case lead to material loss, and in the other to an infinitude of subsequent disagreement. There appears to be the following choice of courses open to us:—

(a.) To keep bringing reiterated pressure to bear on the Persian Government to set their house in order in Luristan, making use of the Moin's assertion that the task is possible for Persians, with a view to carrying out the road scheme ourselves.

(b.) To follow the plan proposed, and hand over control to the Moin or others, while securing vested interests by undertaking the work and expense of construction, relying on the extreme probability of the Persian management failing, and of the consequent reversion of the full Concession rights to the Transport Company, for which adequate guarantees would be insisted on.

(c.) To dispose of the Concession or part of it outright, whether by sale or exchange, and carefully avoid being entangled by any residuary vested rights in it.

9. Turning to the Minute on the Foreign Office despatch, which raises the question of the safeguards that would be necessary in case of the transference of the Concession rights to the Moin-ut-Tujjar, or others.

To provide for even theoretical security, the following provision would appear to me to be necessary:—

(1.) That the Persian Company would not part with the rights acquired to any foreign Government or subject, or to any Persian Company any of whose capital was, or could be, held by foreigners;

(2.) In case of the failure or dissolution of the Company, this Concession would not be regarded as one of its disposable assets, but would automatically revert to the Transport Company;

(3.) In case the Persian Company failed to open the road within a given time, the Concession would revert as above, and in case of the road being closed at any time to traffic for more than a specified period, some progressive penalty would be paid, and all losses accruing to the Transport Company owing to the closing of the road would be borne by the Persian Company, and failing satisfaction in this way, the Concession would eventually revert;

(4.) Claims of the Transport Company for losses owing to robbery, detention, &c., on the section of the road ceded, to be settled within a specified time after presentation, failing which some definite and tangible penalty (which I am unable to devise) would be incurred;

(5.) A maximum for all tolls and charges to be fixed, and equitable or preferential rates in every respect to be guaranteed to the Transport Company;

(6.) The agreement between the two Companies to be approved by the "Majlis," (?) and registered by the Persian Government.

I am quite alive to the fact that it is in the last degree improbable that the Moin would agree to the terms detailed above, but at the same time I think that each of them provides against what would be a certain menace either to our political interests, or to the commercial interests of the Transport Company and allied concerns.

10. With the opinion expressed in the last sentence of the Minute I am in agreement. But the implication which is perhaps involved that were the Bagdad-Khanikin Railway built, the traffic available for the Luristan road would be seriously curtailed, may be considered susceptible of some limitation. Were the

Bagdad-Khanikin Railway constructed before the railway had been completed to Bagdad from the west, I would venture the opinion that it would in no way affect the prosperity of a road from the port of Ahwaz running northwards to Central Western Persia.

Did, however, the construction of this line follow in its logical position the completion of Bagdad Railway, whether it would only slightly affect, or completely revolutionize, the flow of trade in Persia would depend on the relation between the freights on this route and on those already existing, the cost of native transport from the rail to the selling centres, major or minor, being always taken into account. I do not think that this relation can be considered a foregone conclusion.

I have, &c.

(Signed) D. L. R. LORIMER, *Captain,*
His Britannic Majesty's Vice-Consul for Arabistan.

[35497]

No. 118.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 229.)

Sir,

Tehran, October 10, 1907.

ALTHOUGH the Turkish Ambassador's Reports to his Government may have been unduly alarmist as to the real possibility of the Persian Government attempting forcible resistance to the Turkish encroachments in the neighbourhood of Urumia, I do not think that he has exaggerated the degree of excitement to which the newly found patriotism of the country has been roused. Shemseddin Bey, from his long residence in Persia, is probably better able to gauge the condition of local feeling than most other foreigners, and from his special position he is naturally the most interested of the foreign Representatives to learn it. It may be thought that the threatening letters he has been receiving for the past three weeks, and the publicly expressed menaces of which his Embassy has been the object, may have influenced his judgment, but those who know his deeply religious character and devotion to duty would unhesitatingly attribute the serious warning he has addressed to his Government to those traits in his character, and not to any consideration of personal danger.

But, besides the above-mentioned indications, there have been abundant other manifestations of the public indignation against Turkey. Violent speeches have been made in the Assembly as the news of each fresh advance of the Turks has been announced, and the Government has been repeatedly urged in the most insistent manner to send troops to the occupied districts. Seyyid Abdullah, who has for long supported the Ottoman Ambassador's Pan-Islamic propaganda, has found it impossible to continue to preach in favour of religious conciliation between Sunni and Shia, and in order to save his reputation as a patriot has become one of the most violent advocates of forcible measures. On the 22nd ultimo a meeting of many of the most important personages in Persia was held at the Palace to consider what should be done in the national emergency, and, to provide the sinews of war, a subscription list was opened to which those present put down their names for an aggregate of 750,000 tomans, while sums calculated on their supposed capacity to contribute were set down against the names of other wealthy men who were not at the meeting. The money was to be used to found the long-talked of National Bank. At Tabreez and Ispahan there are signs of similar national feeling, and the Aghas at the latter place organized a monster demonstration to protest against the Turkish encroachments, and to call on the Government to take active steps to repel the invader.

At the same time it must be confessed that, with the Persian character such as it is, just as the above-mentioned subscription has not advanced beyond the paper stage, so there is little chance of these brave words being translated into deeds. The information which you have been so good as to furnish to the Legation, of the energetic representations made by Sir N. R. O'Connor and M. Zinoview at Constantinople, has been regularly communicated to the Government, and has undoubtedly had a reassuring effect with the cooler-headed statesmen, who are conscious of Persia's military impotence, but that the idea of employing force has not been excluded from their councils is evident from the conversation I had with the President of the Assembly, as reported in my telegram No. 290 of the 7th October. The general public are mistrustful; they see that in spite of our action at Constantinople not only do the Turks continue to advance in the Urumia districts, but are even threatening to cross the frontier in the neighbourhood of

Khanikin. This mistrust is due, of course, to a misapprehension of the objects of the Anglo-Russian Agreement, but its existence cannot be ignored, and there is even an absurd rumour abroad that Russia and England would be prepared to admit that a "sphere of influence" should be conceded to Turkey.

In the way of practical steps the Persian Government has not gone further than to select Mohtasham-es-Saltaneh as Chief of the Persian Commission to meet the Turkish Delegates under Emin Bey. Mohtasham-es-Saltaneh, who was designated a year ago to succeed Ala-es-Saltaneh as Minister in London, is demanding the widest powers. He wishes to select his colleagues, to have command of the Persian forces and control over the tribes in the district; and in a speech which he made in the Assembly yesterday he demanded that the British and Russian Consuls should be treated at first as unofficial members of the Commission, and in case no solution should be reached that they should join it officially. He further recommended, apparently out of distrust of Arfa-ed-Dowleh's capacity and energy, that an able and trustworthy official should be attached to the Persian Embassy in Constantinople to give advice and, in case of need, to take charge of the Mission.

I have, &c.

(Signed) CHARLES M. MARLING.

[35498]

No. 119.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 230.)

Sir,

Tehran, October 10, 1907.

DURING the past month the general condition of Persia has not improved. From the provincial towns, with few exceptions, reports show that there is less security for life and property, while the general lawlessness in the country has not diminished. The authority of the central Government is almost nil and at best can only be exercised through the local Anjumen, and its influence with these bodies cannot always be counted on.

In the capital, however, the prospects are somewhat brighter. The reform party is at this moment certainly far stronger than it has ever been since the opening of the Majlis just a year ago. They have succeeded in winning over the whole of the reactionary party and it seems reasonable to hope that the Shah, who has undoubtedly been the real promoter of the disorders and unrest in the country, will now, left as he is without supporters except a few of his Chamberlains, find himself forced to abandon the tactics by which he hoped to discredit the Assembly by showing its incapacity to govern. Those who believe in the national movement are confident of the future. They explain the failure of the Assembly to produce any practical reform by pointing to the difficulties with which it has had to contend; it had many enemies, the Governors of provinces and high officials, the Shah, and finally the clergy, whose power had to be effectually broken before the will of the people could prevail. These objects have been successfully attained; tyrannous Governors such as Zil-es-Sultan, Firman Firma, and Asaf-ed-Dowleh have been removed; the Shah finds himself alone and without a party; and by the passing of the additions to the Constitution and the debates over the question of bast, the Mujtehids have been taught that the new régime means to emancipate itself from the yoke of the priesthood.

But the difficulties in the way are formidable. The treasury is empty; there is no public force to maintain order and enforce the law; the moral authority of the old régime has been destroyed by the local Anjumen, and the Assembly seems powerless to create any respect for itself; there appear to be no statesmen of constructive ability; taxes are being paid with the greatest irregularity, and even the framework of such elementary administration as once existed has well nigh disappeared.

In fact, the work of the Assembly during the first year of its existence has been nearly wholly destructive, and in the process of clearing the ground for future reform a good deal that was worth preserving has perished. And it is to be feared that the work of reconstruction on democratic lines will prove beyond the powers of the men at the head of the movement.

It is not a healthy sign that the new Cabinet is, if possible, even more incompetent than the last. Not a single Minister dares take the smallest responsibility on his shoulders, but awaits the direction of the Assembly. Hence it results that the Majlis, which from the beginning has been far too prone to interfere in ordinary administrative matters, is now assuming executive functions. To this tendency two other

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circumstances are also contributing, viz., the masterful character of the President of the Assembly, who is now the most powerful personality in Persia, and the formation of the Anjumen-i-Akaber, or Grand Committee. The creation of this body is practically the outcome of the Committee of Notables whose recent secession from the autocratic party has so profoundly modified the internal situation. It is composed chiefly of the higher functionaries, with a fair number of military officers, and its President and Vice-President are Amir-i-Azam and Hussein Kuli Khan Nawab. It has no official standing, but it arrogates to itself the right of giving advice to the responsible Ministers in the conduct of the business of the Departments. It is of course perfectly irresponsible, but the influence of its members is such that its advice cannot be disregarded. Its influence has, so far, on the whole been beneficent, but it is easy to see that a Minister less pusillanimous than those who form the present Cabinet might easily come into conflict with it; while the dangerous possibility of a quarrel with the President of the Assembly can never be very distant. The best thing that can happen is probably what the more intelligent Persians hope for, viz., that out of it should be evolved the Senate provided for by the Constitution.

Another obstacle in the path of reform is to be found in the composition of the Assembly itself. Only a very small minority of the members have even an elementary idea of what the functions of Parliament are. The rest are incapable of comprehending a regular Code of laws regularly applied; such a thing is entirely outside their experience, and they probably look on the business of framing laws—which they cannot conceive will ever be enforced—as sheer waste of time. They would, in fact, turn the Assembly into something between a debating Society, a Court of Justice, and a Council of State. Not a few also look upon the position of Deputy as merely a means of pushing their own interests. It is hoped that with the diffusion of more correct notions of Constitutional Government the next elections will result in the return of more enlightened and less self-seeking legislators.

The result of the first year's work of the Assembly has been on the whole rather negative, but at least it has succeeded in asserting its will against the influence of the Shah and clergy, and has now a reasonable prospect of being able to start on the path of reconstruction.

I have, &c.
(Signed) CHARLES M. MARLING.

[35499]

No. 120.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 231.)

Sir,

Tehran, October 10, 1907.

I HAVE the honour to transmit herewith a summary of the proceedings of the Assembly during the last four weeks.

By far its most important achievements have been the victory gained over the Shah by the dismissal of Saad-ed-Dowleh and the passing of the additional Articles of the Constitution. By the former the Assembly has enforced its right to demand the dismissal of objectionable Ministers, and by the latter, carried in spite of the strenuous opposition of the great Mujtehed, it has shown that it means to be independent of clerical control.

The brief summary of the instrument which I am able to send by this messenger scarcely shows the extent to which the powers of the Mullahs are curtailed, in so far as their active judicial attributes and functions are concerned, as the Articles for the creation of the Courts of Justice are of so highly technical a nature that they will require some time for translation and study. It will suffice for the moment to say that by them a determined attempt is made to deprive the Mullahs of their highly-prized powers of exclusive judicial control. It will be seen, however, from Article 2 that the Ulama still ostensibly preserve the power of interpretation as to what constitutes an infraction of the fundamental laws of Islam. It remains to be seen how far this remnant of passive power will be used for obstructive purposes.

Another blow was dealt to the clergy in the course of the debates on the abolition of "bast." The extent to which the institution was abused may be illustrated by the fact that it was not infrequent for privates of the Cossack brigade to take "bast" with a Mujtehed to escape punishment for military offences. The sanctity of a Mujtehed's dwelling therefore added much to the prestige of the clergy, but the Assembly showed a

clear determination to put an end to the system in spite of the vehement denunciations of the clerical party.

The measure, however, has not yet been passed, and it is difficult to see how it could be enforced at present.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure in No. 120.

Proceedings of Persian National Assembly from September 14 to October 8, 1907.

Saturday, September 14.—The first matter dealt with was the sudden death of the Mushir-ed-Dowleh, which had occurred the previous evening. One of the Deputies was chosen to make full inquiries on the subject. The Turkish encroachments were then discussed, and Taki Zadeh made an eloquent speech on the subject, urging that energetic action be taken to turn the enemy out of Persia. Many other members spoke, and some said that they would willingly rely upon the diplomatic assistance of Great Britain and Russia, but that they must not send troops into Persia for the purpose of defending her against her enemies. The Government and aristocracy were loudly denounced, and the President eventually offered to proceed to the country to interview the Government officials on the subject.

Sunday, September 15.—The President reported the result of his mission, which was on the whole satisfactory. He announced that the Ministers would come to the House the following day to discuss the Turkish aggression with the Deputies.

Monday, September 16.—The new Cabinet attended at 9:30 A.M., but the Ministry of Education was not represented. The Minister of the Interior introduced the different members of the Cabinet, and the President made a short speech, to which the Minister of the Interior replied. A number of questions were raised by different members, calculated to embarrass the Minister of the Interior, but the President came to his rescue, somewhat to the annoyance of the members. Taki Zadeh insisted that a programme should be laid before the House, and Saad-ed-Dowleh (Foreign Minister) replied that it was in course of preparation. Another Member of the House made a long speech, dwelling upon the atrocities committed at Urmia by the Turkish troops, as well as the bloodshed at Khoi, where his own home was at that moment being bombarded. He stated that his brother had been killed, and that his family was in danger. He said to the Ministers, "Let us not consider you as Ministers, but are you not our co-religionists? Are you not our brethren? Have you no pity for us? Have you no pride or honour?" The Minister of the Interior stated that he had brought some papers on the subject which he would like to have read at a private sitting. The public was therefore excluded. The Foreign Minister then produced telegrams to the effect that the British and Russian Foreign Ministers had given instructions to their Embassies at Constantinople to make representations to the Sultan. Other papers were also read bearing on the subject. It was made clear that there were two distinct cases—firstly, the incursion into Persian territory of Turkish troops, and, secondly, civil strife at Khoi between the reactionaries and the local Assembly. A long discussion followed, in the course of which Saad-ed-Dowleh promised far-reaching reforms. Taki Zadeh reminded the new Minister of Finance that he was not empowered to expend any public moneys without the approval of the Assembly, to which the Minister of Finance acquiesced. It was quite clear throughout that Saad-ed-Dowleh intended to be the predominant partner in the Cabinet. On the whole the new Cabinet was well received, for which the President was chiefly responsible, having promised the Shah that he would keep the Deputies in order.

Tuesday, September 17.—The Constitution was read, and Seyed Abdullah was most obstructive, which greatly irritated the President. News of further aggressions having been received from the Turkish frontier, the President said the Government wished to confer on the subject with a Committee of Deputies. Seyed Abdullah thereupon became very excited and ridiculed these Committees when, as he said, the country was being taken by the enemy. He said that if within a stated time no decisive steps were taken by the Government he would get on his mule and go to the frontier himself and invite the people to join him in a "jihad," or holy war, to save the country. One of the members pointed out the futility of such a step in modern times, when war could only be made with disciplined troops and artillery.

Wednesday, September 18.—A few members of the Cabinet attended a special sitting, but, as the Foreign Minister was not present, the Turkish question could not be fully

gone into. News having been received from the Tabreez local Assembly that the Russians were about to import 21,500 cartridges into Tabreez, the Deputies violently protested against it, and addressed the Foreign Minister on the subject.

Thursday, September 19.—No business was done, and the proceedings were uninteresting. Seyed Abdullah preached from the pulpit of one of the mosques on the subject of the Turkish aggression, saying that the Shah intended to take steps in the matter, but that if nothing decisive was done the nation would have to act. Public feeling had by this time been greatly excited.

Saturday, September 21.—A large number of persons representing the local Committees took up their residence at the House, pressing for the completion of the Constitution and other matters.

The proceedings were chiefly devoted to domestic matters, including stamp duty on all Petitions addressed to Ministers and the Assembly, as well as the salaries of the Deputies.

The President and some prominent members attended a meeting at the Palace of the principal Princes and Notables in the presence of the Shah. It was understood that the meeting had been convened in connection with the Turkish aggressions, though no mention was made of the subject. The Shah made a speech dwelling upon the critical situation of the country and the need of money. His Majesty called upon his Ministers and the Princes and Notables present to co-operate with the National Assembly. The new Minister for War began by offering to subscribe the sum of 30,000 tomans (6,000*l.*), and a subscription list was then circulated, with the result that the sum of 737,000 tomans (147,400*l.*) was subscribed by those present. The absentees were then enumerated and various sums placed against their names. His Highness Ain-ed-Dowleh, the ex-Grand Vizier, was put down for 400,000 tomans (80,000*l.*), and so on, to a total of 1,320,000 tomans (264,000*l.*).

The President was delighted with this result, which was the first fruit of the great activity which he had displayed since his election. It was fully realized that the subscriptions would never be collected, but the meeting at the Palace was a step in the right direction.

Sunday, September 22.—After a short sitting with closed doors to take votes on the stamp duty of half a kran (about 3*d.*) on all Petitions, which was passed by a majority, the public was admitted. The Foreign Minister made a statement on the subject of the joint Anglo-Russian representations to the Sultan respecting the encroachments. He declared that the Sultan had been misinformed on the subject, and had decided to recall his troops from Persian territory. The Foreign Minister stated during the course of his speech that the Representatives of other Powers at Constantinople had also assisted in the matter, but, on being pressed to explain, declined to mention Germany. Though the Foreign Minister was extremely sanguine, some of the members continued to be sceptical. The Foreign Minister then read a letter he had received from the Turkish Ambassador complaining of the violent attacks made upon his Government in the press and by public persons, deprecating unnecessary excitement of the public without just cause, and finally asking for protection for the Turkish Embassy and staff. A prominent member, voicing the view of the Assembly, stated that the Turkish Ambassador had no cause to fear for the lives of his staff, but insisted upon the gravity of the case and upon an immediate withdrawal of the Turkish troops. The Foreign Minister then brought up the case of Haji Malek-et-Tujjar in refuge at the Russian Legation and enumerated the conditions under which the Russian Legation was willing to hand him over to the Persian authorities, which, however, were not accepted. The importation into Tabreez of a large number of cartridges by the Russians was next discussed. The Foreign Minister gave an account of his negotiations with the Russian Minister on the subject, and explained that the cartridges were required for practice. The Deputies continued to be obdurate, whereupon Saad-ed-Dowleh read a letter which he had just received from His Majesty's Minister announcing the arrival in the Persian Gulf of some Indian sowars to relieve the Consular guards at Shiraz and Ispahan. This created the required diversion and brought about a general discussion on the question of Legation and Consular guards. After some debate the whole question was shelved. Saad-ed-Dowleh then briefly sketched his plan of reform for the Ministry of Foreign Affairs, and concluded by saying that there happily now existed complete accord between the Shah and the nation. (As a matter of fact relations between the Shah and the Assembly were at that moment strained to the utmost, and it was fully realized that Saad-ed-Dowleh was acting as the Shah's tool.)

Tuesday, September 24.—The sitting was chiefly devoted to a discussion of the Kermanshah riots of the 3rd June, and it was decided that the late Governor, Seif-ed-

Dowleh, should pay 5,000 tomans (1,000*l.*) to defray the travelling expenses of the persons who had been deputed to come from Kermanshah for the inquiry. The President's activity was in no way relaxed, and though many of the Deputies were despondent, he was hopeful and encouraging.

Thursday, September 26.—The representatives of the local Committees still in residence at the House presented a Petition for submission to the Shah asking for steps to be taken for the restoration of order in the provinces and on the high roads, as well as for immediate steps to expel the Turks from Persian territory. The Petition having been submitted to the Shah by the President the previous day, His Majesty's reply was read, which promised redress and immediate action.

A part of the Constitution was read, and subsequently the Kermanshah case was discussed.

Saturday, September 28.—A Petition to the Shah was read which had been addressed to him by the principal notabilities, including practically all those who had up till then been classed as reactionaries. The document is remarkable for its outspoken tone, and declares that its signatories are determined to uphold the Constitution and to obey the National Assembly. It invites the Shah to maintain the Constitution and to uphold the authority of the Deputies of the nation. It dwells upon the danger to His Majesty of a contrary course, and states that, unless His Majesty is willing to listen to their petition, he must no longer look upon them as Government servants, as they intend, in that case, to leave His Majesty to deal with the situation single-handed. The Shah's reply, which was also read, assured them of his sincerity and good-will, and entire accord with the National Assembly. The Notables, having expressed their desire to attend the House, were received with great acclamation. The members of the Foreign Office, who were on strike, also attended. Congratulatory speeches were delivered by Members of the House, and much enthusiasm was shown.

Sunday, September 29.—The Constitution was read, and subsequently the suppression of one of the more violent of the Tehran newspapers was discussed. It was decided to suspend the paper temporarily, chiefly for having published violent articles against the Turkish Government.

The House sat Sunday evening, Monday evening, and Tuesday morning to discuss the Constitution, which was opposed at every point by the clerical party, and defended with great ability by Taki Zadek, Vosouk-ed-Dowleh, Mosteshar-ed-Dowleh, and Abdul Hassan Khan. There were many points which the clerical party, headed by the two chief Mujteheds, strongly objected to, as they realized that their power was seriously menaced.

Tuesday, October 1.—It having been arranged that the Notables should attend a full public sitting in the afternoon to subscribe the oath of allegiance to the National Assembly, the Shah deputed Saad-ed-Dowleh (the Foreign Minister) to call beforehand on the President and forbid the proceedings. A stormy interview ensued, but the President showed much firmness, and Saad-ed-Dowleh was obliged to report to his master that his mission had entirely failed. The Shah then sent two trusted Chamberlains, who achieved no greater success. The President dealt with the Shah's emissaries single-handed, and so far the public is unaware of what occurred in the President's room. The Notables attended the House in a body at 4 p.m., and took the oath of allegiance on the Koran in a most solemn manner. The form of oath, which had been carefully drawn up beforehand, was read out by one of the Members. It declares solemn allegiance to the Constitution (the actual word being used) and to the National Assembly. It states that the person taking the oath lays all his power, influence, and worldly possessions at the disposal of the nation, and vows eternal fidelity to the national cause. In case of breach of faith it declares that it will be lawful to seize all the property of the signatory. The Notables presented themselves in turn at the table, and, kissing the Koran, took the oath in the presence of the highest ecclesiastical authority in Irak Ajem, i.e., Seyed Abdullah, near whom were seated the other great Mujteheds. His Highness Jellal-ed-Dowleh, the Zil-es-Sultan's eldest son, was the first to take the oath, which was marked by loud cheers. The following names will be recognized as those of persons so far classed as inveterate reactionaries: Sepahdar (Minister of Telegraphs), Vezir Makhous (late Governor of Tehran), Ala-ed-Dowleh (ex-Governor of Fars, and brother of the President), Amir Behadur Jang (favourite of the late Shah). These any many others took the oath of allegiance amid great applause.

The public was then excluded, and the Deputies discussed the general situation with the Notables. The Turkish aggression and the want of money were the principal points under discussion.

Wednesday, October 2.—A special sitting was held with closed doors, at which Saad-ed-Dowleh, the Foreign Minister, attended. A list of the expenses of the Royal Household was first considered. It showed that the Shah's yearly requirements amounted to 1,200,000 tomans (240,000*l.*). The Assembly decided to refer the statement to the Finance Committee, but agreed for the present to allow the Shah an advance of 20,000*l.*, of which it was stated he had already drawn half.

Saad-ed-Dowleh then presented the note addressed to him by the British and Russian Legations on the 24th September, inclosing a translation of the Anglo-Russian Agreement, which it was decided to read in Committee. He made a short speech, sketching the history of the Agreement as far as the Persian Government was concerned. The House asked him to lay before them a draft of the note he proposed to send to the two Legations on the subject in reply, which he promised to do. The Turkish advance on Baneh, which had just been reported, was then discussed. The Foreign Minister was violently attacked, and somewhat excitedly retorted that these questions cannot be dealt with by the Assembly, and that the only result of constant public abuse of the Government would be to retard a settlement indefinitely. The President said that the Foreign Minister lost his temper because his staff had struck, and it was not to be wondered at that the affairs of the Foreign Ministry were in suspense when the whole staff refused to serve. Saad-ed-Dowleh made a long speech in his own defence, but was called upon from all sides of the House to resign. He continued his defence, but when loud cries of "Resign, resign!" were again repeated, he completely lost control of his temper and declared that he would rather die than do so.

The President was sent for by the Shah during the course of the afternoon, and the same evening Saad-ed-Dowleh was dismissed, and Ala-es-Sultaneh was reappointed Foreign Minister.

Thursday, October 3.—The Constitution was under discussion and was being hotly contested by the clerical and secular parties. The Zil-es-Sultan, who was present, seeing that the debate grew excited, rose to take his leave, stating that he had come to express his unanimity with the House. The Mujtehed rose, but the President and all the Members remained seated. The discussions regarding the Constitution continued, and grew more and more heated, until a climax was reached when Seyed Abdullah, over a very trivial technical point, insisted that he should have his way notwithstanding a majority of Deputies against him. The members rose in a body, and the sitting was adjourned. Loud cries of disapproval were raised against the arbitrary action of the leader of the clerical party. The excitement was quelled with difficulty, but Seyed Abdullah did not think it safe to leave the House. The leading members joined the President in his private room to discuss the position. The House reassembled later in the day, and got over the difficult passage in the Constitution by a compromise.

The Ministers and Notables attended at 4 p.m., when Ala-es-Sultaneh, who had been reappointed Foreign Minister, was introduced.

The public was then excluded, and the Turkish encroachments were again brought up. The discussions were long and wearisome, but it was decided to appoint Mohtashem-es-Sultaneh (Minister designate to England) as Persian Commissioner to proceed to Urmia. It was also thought desirable to remove Farman Farma from the post of Governor-General of Azerbaijan, as well as to replace the officials on the whole Turco-Persian border. Mohtashem-es-Sultaneh, who was present, accepted the post of Commissioner, and promised to draw up a draft programme for submission to the House. When the House rose at 10 p.m. the Members and the Notables were cheered by the public, and the two Mujtehed also received an ovation as they left the House.

Saturday, October 5. *Public reading of Anglo-Russian Agreement.*—It was arranged in Committee that the public reading of the Agreement, which had been fixed for that day, should not be followed by any unmeasured hostile criticism. The rank and file were assured that there was nothing in the Agreement in any way detrimental to the public interest. It was agreed that speeches on the subject should only be made by a chosen number of the principal members, who had prepared their speeches beforehand. The Agreement was therefore read in perfect silence, and the remarks passed upon it were moderate in tone.

Prince Assadullah Mirza, who has spent many years in England and spoke quite spontaneously, spoke at some length on the subject, saying that implicit confidence could be placed in the Liberal Government of Great Britain and in the peaceful policy of His Majesty the King. His speech was cheered in some quarters. Another English-speaking Member, whose opinions carry some weight in the House, said that the Agreement appeared to be unobjectionable, but they should refer to the history of other

countries to realize its potentialities. He concluded by saying that the Persian nation certainly did not expect their great and friendly neighbours, the British, to make such an Agreement with Russia when the Persians had just obtained a Constitution and had embarked upon internal reforms with the hope of becoming strong and civilized.

The matter was then dropped, and various other matters were discussed, including the general question of "bast." It was proposed that the system of taking sanctuary should be put an end to, and in this connection the case of Haji Malek-et-Tujjar, who is still in refuge at the Russian Legation, was quoted. Some of the Members deplored the unreasonable attitude assumed by the Russians in this matter, and quoted the action of the British Minister in a similar case when Salar-ed-Dowleh took refuge at the British Consulate at Kermanshah. They thought the Russian Minister would do well to imitate the good example of his British colleague.

His Majesty's Chargé d'Affaires called on the President in the afternoon, and showed him a telegram he had received from Sir Edward Grey, repeating the instructions given to His Majesty's Ambassador at Constantinople to make the most urgent representations to the Sultan respecting the continued presence of Turkish troops in Persian territory. At a special afternoon sitting the President informed the House of the substance of this telegram, which had a very good effect.

Sunday, October 6.—The case of Salar Mufakham, who, having been found guilty of complicity in the sale of Persian women to the Turkomans, had been put in prison, was discussed. The prisoner craved permission to be allowed to redeem the women.

News having been received of further activity on the part of Buyuk Khan, the son of Rahim Khan, whose action led to the disorders of the 25th and 26th May, as described at the time, it was decided to threaten Rahim Khan, who is still in chains at Tehran, with further punishment if his son did not behave himself.

Tuesday, October 8.—A deputation waited on the Shah with the completed Constitution for His Majesty's signature. The deputation consisted of the President, the ex-President, and three other Members, including Taki Zadeh, who went at the Shah's special request, His Majesty desiring to see the prominent Deputy of whom he had heard so much. The Shah signed the Constitution without any demur. The document, which is entitled "Supplementary Articles to the Fundamental Laws of the Persian Constitution, signed by His late Majesty the 30th December, 1906," contains 107 Articles. A copy was supplied to the Legation on the 9th October, but cannot be translated in full in time for the bag leaving on the 11th October. A brief summary of its contents is, however, appended herewith.

Finance Committee.

The Finance Committee of the National Assembly has sat regularly during the whole month, and has been busily occupied with the Budget. A full account of its labours is not yet obtainable, but it is known that the Committee intends to make sweeping financial reforms, including the reduction of pensions, particularly those given to the Shah's near relations. The total list of pensions is said to amount to 2,200,000*l.*, whereas the total maximum revenue is estimated at 1,600,000*l.*, including land taxes and customs. The Assembly is endeavouring to balance the revenue and expenditure.

General Remarks.

The new President, Ehtesham-es-Sultaneh, has gained great popularity by his great energy and strength of character. He has shown complete fearlessness both of the Shah and of the Mujtehed. He has used his influence with his brother, the reactionary Ala-ed-Dowleh, and with his relative the Amir Azam (nephew of the ex-Grand Vizier Ain-ed-Dowleh) to bring about an amalgamation of the reactionary party and the Assembly. He has been in office barely a month, but in that time has done more to enhance the prestige of the House and to make it a working institution than was done by his predecessor in the preceding ten months. He, however, shows signs of arrogating to himself a greater measure of executive power than would seem wise under the circumstances.

The conflict between the secular and ecclesiastical parties has been acute, but the latter have gained the victory, though it may only prove to be a nominal one. A weaker man than the President would no doubt have submitted to the dictation of the great Mujtehed.

A determined effort was made by the Shah to undermine the power of the Assembly

by appointing Saad-ed-Dowleh to the post of Minister of Foreign Affairs, knowing him to be quite unscrupulous and a ready instrument to carry out his designs. He was, however, dismissed within three weeks.

The Assembly has shown considerable tact in dealing with the Anglo-Russian Agreement and with other questions of foreign policy which have arisen during the month.

Whereas at the end of August the Assembly seemed to be in a dangerous position, it is now stronger than ever. The financial question remains to be dealt with, though it remains to be seen how far the labours of the Finance Committee have been practical, and whether it will be possible for the Assembly to carry out their recommendations.

(Signed) G. P. CHURCHILL.

Supplement to Proceedings of Assembly.

Thursday, October 10, 1907.—The Minister for Foreign Affairs and Mohtashem-es-Sultaneh were present at the sitting. Questions were asked as to the answer given to the Russian and British Legations respecting the Anglo-Russian Agreement. The Foreign Minister replied that the matter was still under consideration. One of the members pointed out that the "Times" correspondent had telegraphed to his paper that the Persian Government had approved the Agreement, and asked the Foreign Minister if this were the case, to which a reply was given in the negative. Mohtashem-es-Sultaneh then insisted that a suitable force should be supplied and arrangements made for its payment and equipment before he started as Commissioner to Urmia. The President was strongly against warlike preparations of any kind, which, he said, might precipitate an armed conflict with Turkey when every endeavour should be made to settle the difference in a peaceful manner. The President's insistence, however, was apparently unavailing. The Governor-General of Tabreez was then strongly criticized by the President and some of the Deputies.

A secret sitting was held later at which the members of the Finance Committee attended. The question of dispatching troops to accompany Mohtashem-es-Sultaneh was again discussed, and the Foreign Minister was asked his opinion, and supported Mohtashem-es-Sultaneh's demand. The President continued to strongly oppose it. The appointment by the French Government of a Financial Adviser was announced by the Foreign Minister, and the proposed contract was read, and did not arouse any opposition. The case of Malek-et-Tujjar in refuge at the Russian Legation was then discussed. The Foreign Minister produced a note from the British Legation dealing with the steps taken by His Majesty's Ambassador at Constantinople. The President and other members expressed great satisfaction.

Supplementary Articles to the Fundamental Laws of the Persian Constitution, signed by His late Majesty December 30, 1906.

(Signed by Mohammed Ali Shah October 8, 1907.)

(Abstract Translation.)

General.

Article 1. Respecting official religion.

Art. 2. No civil laws can be passed by Assembly which are contrary to those of Islam. The Ulema will decide what is contrary to the laws of Islam. Council of Ulema, not less than five persons, to represent the clergy at Medjliss.

Art. 3. Respecting the boundaries of provinces and districts.

Art. 4. Capital of Persia is Tehran.

Art. 5. Description of flag.

Art. 6. Life and property of foreigners residing in Persia to be respected and protected so long as they do not infringe the laws of the country.

Art. 7. The Constitution cannot be abrogated.

The Rights of the Nation.

Art. 8. Persian subjects will have equal rights before the Government laws.

Art. 9. Every individual subject will enjoy protection for his life, property, house, and honour, and no one may be arrested excepting in the manner prescribed by law.

Art. 10. No one may be arrested, unless for a crime or for a serious offence, without a written warrant signed by a Chief Justice according to law, in which latter case the accusation must be declared.

Arts. 11 and 12. Respecting trials and judgments.

Art. 13. Inviolability of domicile.

Art. 14. No person to be exiled unless by process of law.

Art. 15. Regarding landed property.

Arts. 16 and 17. Regarding the sequestration of property.

Art. 18. Regarding education. Acquisition of all scientific knowledge permitted, excepting that which is forbidden by the laws of Islam.

Art. 19. Institution of Government colleges and compulsory education to be according to Regulations of Ministry of Education.

Art. 20. Freedom to publish all manner of literature excepting that which is contrary to morals or detrimental to Islam. Reference to press laws.

Art. 21. Assemblies or Committees which are not calculated to cause either religious or civil disturbances are permitted all over Persia, but the members must not be armed. Laws to be drawn up on subject. Public meetings in public places must submit to police regulations.

Art. 22. Postal packets to be exempt from all censure.

Art. 23. Non-interference with telegrams.

Art. 24. Foreign subjects may become Persian subjects in accordance with separate laws.

Art. 25. Government officials may be prosecuted for dereliction of duty without special sanction of their official superiors, with the exception of the Ministers, who will be amenable to separate laws.

The Powers of the State.

Art. 26. The powers of the State emanate from its nationals. The way in which those powers are wielded is defined by the Constitution.

Art. 27. The power of the State is divided into three categories:—

(1.) The power of making laws, which is invested in the Shah, the National Assembly, and the Senate, each of which may make laws, which will only become operative if they are not contrary to the laws of Islam, are approved of by the two Houses, and obtain the signature of the Shah. But the making of laws relating to the revenue and expenditure of the State is the prerogative of the National Assembly. The interpretation and commentary on the laws is the prerogative of the National Assembly.

(2.) The power to render judgments is vested in the ecclesiastical Judges in ecclesiastical cases and in the civil Judges in civil cases.

(3.) The power of putting the law into effect, which is vested in the Crown. That is to say, the laws will be carried out through the Ministers in the name of the Sovereign, according to law.

Rights of the Members of Assembly.

Art. 30. Members of both Houses represent the whole nation and not merely the classes who elected them, or the district which elected them.

Arts. 31 to 34. Relating to the duties and rights of the Members of both Houses.

Rights of the Sovereign of Persia.

Art. 35. Sovereignty is a trust which is bestowed by the nation upon the Sovereign. (Note: when signing the document the Shah added after the word "bestowed" the words "by the grace of God.")

Art. 36. The limited Monarchy of Persia will be maintained in the person of Mohammed Ali Shah and his male progeny.

Art. 37. Regarding the succession.

Art. 38. Regarding the appointment by the two Houses of a Regent in case the Valiahd, on coming to the throne, should be under 18 years of age.

Art. 39. Oath to be taken by Shah at the National Assembly in presence of Members of Senate, before coronation, undertaking to protect independence of Persia and to observe the fundamental constitutional laws.

Art. 40. Oath to be taken in case of Regency.

Art. 41. Both Houses to assemble in case of death of Sovereign.

Art. 44. The Sovereign has no responsibility, which rests with his Ministers.

Art. 45. The Sovereign's rescripts can only be carried out if countersigned by the responsible Minister.

Art. 46. Appointment of Ministers vested in Sovereign.

Art. 47. Granting of decorations and orders vested in Sovereign.

Art. 48. Respecting the appointment of lesser officials.

Art. 50. Supreme command of military and naval forces vested in Sovereign.

Art. 51. Declaration of war and conclusion of peace is vested in the Sovereign.

Art. 52. Treaties which it may be necessary to keep secret in accordance with Article 24 of the Fundamental Laws of the 30th December, 1906, will be communicated to the National Assembly when it is no longer necessary to maintain secrecy.

Art. 53. No secret clause in any Treaty will cancel the published clauses of the same Treaty.

Art. 54. Power of Sovereign to convene special sitting of either House.

Art. 55. Regarding minting of coin.

Art. 56. The expenses of the Royal Household must be defined by law.

Art. 57. The power and freedom of the Sovereign is limited to that which has been defined in the present Constitutional Laws.

Regarding the Ministers.

Art. 58. No person can be appointed Minister unless he is a Moslem and a Persian subject.

Art. 59. No Prince who is either a son, brother, or uncle of the reigning Sovereign can be appointed a Minister.

Art. 60. The Ministers are responsible to the Assembly, and must attend whenever called upon to do so.

Art. 61. Joint responsibility of Cabinet towards Assembly.

Art. 62. Number of Ministers to be fixed by law.

Art. 63. The honorary title of Minister to be abolished.

Art. 64. The Ministers may not shirk responsibility by quoting the Sovereign's commands, either written or verbal.

Art. 65. The National Assembly may impeach the Ministers.

Art. 66. The responsibility of Ministers and their punishment will be defined by law.

Art. 67. Should the National Assembly or the Senate, by the vote of a majority, express disapproval of the Cabinet or of an individual Minister, the Cabinet or the Minister must be removed.

Art. 68. The Ministers must not undertake any other duties.

Arts. 69 and 70. Regarding the impeachment of Ministers.

The Powers of the Tribunals.

Arts. 71 to 89. Relating to procedure of Courts.

Regarding the Provincial Assemblies.

Art. 90. The establishment of Provincial Assemblies according to separate regulations.

Art. 91. Members to be elected by people.

Art. 92. Provincial Assemblies are empowered to exercise complete supervision over public affairs of the province, in accordance with separate Regulations.

Art. 93. Statement of revenue and expenditure of provinces to be printed and published by respective Provincial Assemblies.

Regarding the Finances.

Art. 94. No taxes may be levied unless in accordance with law.

Art. 95. Exemption from taxes to be fixed by law.

Art. 96. Incidence of taxation to be fixed by vote every year by the Assembly.

Art. 97. Regarding taxation, there will be no differentiation among persons.

Art. 98. Rebates of taxation will be fixed by law.

Art. 99. No taxes will be levied other than those fixed by law.

Art. 100. No salaries or gratuities will be paid out of the Government Treasury excepting that which is fixed by law.

Arts. 101 to 103. Respecting the collection of taxes.

The Army.

Art. 104. Conscription and military promotion to be fixed by law.

Art. 105. The army vote to pass the National Assembly.

Art. 106. No foreign soldiers will be allowed to serve the Government, and they will not be allowed either to reside in any part of the country or to pass through or into the country, excepting in accordance with the laws.

Art. 107. The salaries, or rank, or decorations of soldiers may not be withdrawn excepting in accordance with the laws.

(Initialled) G. P. C.

[35500]

No. 121.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 232.)

Sir,

Tehran, October 11, 1907.

THE French Minister has been so good as to inform me that his Government have selected M. Bizot as Financial Adviser to the Persian Government. M. Bizot is at present an "Inspecteur des Finances," and is described to M. de la Martinière as a man of great ability, whose wide experience should specially qualify him for work in Persia.

M. de la Martinière said he had been considering how best the conditions desired by the Russian Government in connection with the appointment of the Financial Adviser could be secured, and he thought that the most effective means would be that M. Bizot should be placed under the control of the French Legation. With this object he proposed that the contract for M. Bizot's engagement should be made not between that gentleman and the Persian Representative in Paris, but between himself and the Persian Minister for Foreign Affairs. This in itself would reserve to the French Government a degree of control over M. Bizot, so that it would be impossible for him to play a political rôle as did M. Naus. He had drawn up a draft contract which he had already submitted to the Ala-es-Sultanch. It states simply that M. Bizot is placed by the French Government at the disposal of that of Persia for the purpose of advising them in taking measures to place the finances of Persia on a sound basis, and that in case of need he will undertake the negotiation of financial operations abroad. The contract is for two years, but if six months before its expiration the contract is not renewed, or notice of non-renewal is not given, the contract is to remain in force. The salary is 50,000 fr., with an allowance of 1,200 tomans for house rent. Travelling expenses will be borne by the Persian Government. In case ill-health should oblige M. Bizot to leave Persia, the French Government undertake to send another gentleman to replace him.

M. de la Martinière said he had purposely drawn up the draft in vague terms, as it would obviously be impossible to make mention in it of the Russian desiderata that the Financial Adviser should not assist in the raising of a foreign loan without the knowledge and consent of the Russian Government, or in the formation of the National Bank. The contract must be submitted to the Assembly to whom both conditions would give offence, more especially the second, as great hopes were founded on the arrival of the Financial Adviser.

The real safeguard, however, would be furnished by the "lettre de service," which would be given to M. Bizot by the French Government before his departure from Paris, and in which he would be instructed that he was under the direction of the

French Legation here, and further that it would be his duty constantly to consult the wishes of the British and Russian Legations.

I told M. de la Martinière that so far as I was aware His Majesty's Government had raised no objections to the Russian views, but that I would at once inform you of his proposals, which appeared to me calculated to secure the conditions which the Russian Government had formulated. The only criticism which I had to offer was that the German Government would probably see in the arrangement, the practical effects of which must inevitably come to their knowledge as soon as M. Bizot entered on his duties, the seed of a financial control "à trois," one of the parties to which, viz., France, had no greater financial interest in this country than Germany. On the other hand the fact that M. Bizot's contract is only for two years would rob German objections of much of their force.

M. de la Martinière thought that the position could easily be explained to the satisfaction of Germany, and that to anticipate difficulties which might never arise was the surest way to create them. He begged me to use any influence I could to get the draft contract accepted as it stood, and I shall take an early opportunity of speaking to the Minister for Foreign Affairs on the subject.

Since writing the above I have learnt that the contract was read to the Assembly in a private sitting yesterday, but no discussion of it took place.

I have, &c.
(Signed) CHARLES M. MARLING.

[35501]

No. 122.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 233.)

Sir,

Tehran, October 10, 1907.

I HAVE the honour to transmit herewith the usual summary of events in Persia during the past four weeks, which has been prepared by Captain Stokes and Mr. Churchill.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure in No. 122.

No. 11.—*Monthly Summary of Events in Persia.*

Tehran.

THE Mushir-ed-Dowleh died very suddenly on the evening of the 13th September. A report was immediately spread that he had been poisoned, and the Shah was suspected. The Legation doctor was called in, but arrived after life was extinct, and was told by the native doctor in attendance that the Mushir had died of heart disease. He, however, made no examination, and there is now no means of verifying the truth of the report of foul play, which, moreover, seems to be unlikely.

2. Imam Kuli Mirza, the Governor of Urmia, was appointed about the 20th September to be Chief Persian Delegate on the Turco-Persian Frontier Commission. Mohtashems-Sultaneh was appointed on the 3rd October. Reuter's correspondent at Tehran telegraphed that Amir Behadur had been appointed, but this was a mistake; he merely volunteered to proceed to the frontier in a military capacity.

3. The joint action of the staff of the Foreign Office in protesting against the newly-appointed Foreign Minister, which ended in the dismissal of the latter on the 2nd October, is fully reported upon in a separate despatch.

4. On the 27th September the Princes and civil and military officials of note, who had up till then formed the reactionary party, presented an ultimatum to the Shah declaring their adhesion to the Constitution and the National Assembly, and threatening to sever all connection with the Throne should his Majesty not co-operate with the National party. His Majesty's Minister had a farewell audience of the Shah the

following day, when he presented Mr. Marling, the Chargé d'Affaires, and found His Majesty in a very bad humour.

5. The Tehran "Habl-ul-Matin," which started a series of articles on the Anglo-Russian Agreement on the 9th September, continued to publish daily articles on the subject until the 16th September. The first two or three were undoubtedly inspired by Saad-ed-Dowleh, and showed some knowledge of the complex subject, but the subsequent articles were not written so well. Another paper called the "Tamaddun" published a similar article on the 7th September, but, more engrossing local topics having arisen, the campaign ceased until the text of the Anglo-Russian Agreement was published. The "Habl-ul-Matin" again referred to the matter on the 7th September, and the following day published the full text of the Agreement as telegraphed out by Reuter's Agency. It also published the Persian translation of the part of the Agreement relating to Persia, as supplied by His Majesty's Legation to the Persian Government, together with the covering letter of the 24th September. The newspaper's comments are somewhat bitter in tone. On the whole the Agreement has been well received in Tehran, but telegrams were received on the 9th October from Seistan and Shiraz reporting considerable local excitement on the subject.

6. Sheikh Fazlullah, the Mujtehed who retired to an adjoining shrine in protest against the Assembly, returned quietly to Tehran a few days after the assassination of the Atabek. This is generally ascribed to the Shah as an attempt to throw the blame on the late Atabek for his activity. On the 17th September the official organ of the Assembly, the "Medjliss" newspaper, published a series of questions put to the Assembly by the clergy regarding the interpretation of the words "constitutionalism" and "liberty," which are now so frequently used. The Assembly replied that the laws of the Prophet were eternal, and were not susceptible of change. "Constitutionalism" was described as being "the protection of the rights of the people, the limitation of the powers of the Sovereign, and the defining of the duties of the Government officials, implying the abolition of despotism." As to "liberty," it meant freedom to give expression to opinions on matters concerning the common weal, in order that the people should not, as in the past, be held under the yoke of tyranny and despotism, and that they should be able to demand and obtain those rights which God had ordained for them. These pronouncements were made in order to dispel the evil effects of the reactionary propaganda of Sheikh Fazlullah and his followers.

7. There has been a considerable increase of crime and robbery in the capital of late. An elderly French woman was brutally murdered in her own house by some soldiers. A wealthy merchant was attacked at night in his own house by a gang of masked robbers, who, after gagging and tying him up, robbed him of every article of value in the house. The Shah's grooms took a number of Mussulman women by force into the Shah's stables, and refused to open the doors when Ala-ed-Dowleh, who was informed of the occurrence, demanded entrance in order to rescue the women. Some valuable brocades were stolen from one of the Shah's country houses while His Majesty was in residence there. Several Europeans have been the victims of common burglars, including two members of His Majesty's Legation.

8. Prince Dabija, Russian Consul-General at Ispahan, is at Tehran on his way back to his post, but the road being in the hands of a determined gang of highway robbers, who have now actually pitched their tents on the road, Prince Dabija has been detained at Tehran until such time as arrangements can be made to insure his safe passage.

9. The new German college was formally opened on the 5th instant, when 500 invitations were issued. Rather more than half that number attended. The school has already been working for two or three months, and about 100 Persian boys attend. There are two German teachers and a number of Persians employed. One of the German teachers is described as being particularly capable, and good results are reported. Several of the Persian pupils already speak a little German.

10. On the 6th instant, the fortieth day after the assassination of the Atabek-i-Azam, a great demonstration was made at the graveside of Abbas Agha, the murderer, who committed suicide. Tents were pitched, and it is said about 15,000 persons collected. Speeches were delivered extolling the murderer of the Atabek as a patriot who had died for the good of his country. Large quantities of flowers were placed on the grave.

11. The French Government have appointed a Financial Adviser named M. Bizot to proceed to Tehran, in accordance with the request of the Persian Government. His contract has been drawn up by the French Minister, and is for two years at the rate of

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50,000 fr. a-year and 3,000 fr. travelling expenses, as well as 1,500 fr. a-year house-rent. The draft contract was submitted to the House on the 10th instant at a secret Session.

(Signed) G. P. CHURCHILL.

Tabreez.

1. The situation continues fairly quiet. The Governor-General is popular and continues to co-operate with the local Assembly. He insists on the policing of the town being left to him. The soldiers get proper rations and have decent uniforms, and the Government ferrashes are paid regularly by the Assembly. The President told His Majesty's Chargé d'Affaires that this was the result of the action of the Tehran Assembly, and that the Governor-General was weak and incompetent, and would have to be removed.

2. Forty-three cases of rifle ammunition for the Russian consular guard were stopped at Julfa by the local Assembly on the ground that no consular guard required so many. The Governor tried to get them through, but failed. The question was subsequently taken up by the Tehran Assembly.

3. A large number of revolutionaries of Khoi marched into the Maku district, intending to kill Ekbal-es-Sultaneh, the Governor. The latter attacked and defeated them, killing, it is said, 200.

The Governor-General and the Assembly have sent a Commission to investigate the matter.

Resht.

In consequence of cholera being reported at Astara, the Governor established quarantine at Enzeli under Persian control. Until then quarantine there had always been under Russian control. The Persians have also established an effective control over the Customs at Enzeli. They have replaced by a Persian a Russian Customs employé who was in charge of the Russian Caspian Sea fisheries exportations, and who was suspected of being partial to Messrs. Lianozoff's interests.

Meshed.

1. The local Assembly is quiescent, but is talking of military reforms. Khorassan is, generally speaking, quiet. The Russians are keeping very quiet, and this is said to be due to M. de Klemme's bad health.

2. M. Duhem has complained against the Seistan frontier officer to Tehran, asserting that he is a tool of the English.

3. Fifty-four boxes of ammunition are said to be on their way to the Russian Consul-General at Meshed.

4. M. Yakovleff, the new Russian dragoman, has arrived at Meshed.

5. The Persian post has been robbed between Kain and Birjand.

Turbat-i-Hayderi.

1. The Russian Cossack escort at Karez has been increased from six to eleven.

2. The Russians have now abandoned the pretence that they are not managing the sanitary cordon; and the Mirzas at the eight posts will now report direct to Captain Yass instead of to the Persian official, who, with his Cossacks, has now withdrawn.

Ispahan.

1. There appears to be growing discontent against the local Assembly, which passes Decrees which are never carried out. The Governor has repeatedly sent in his resignation, but it has not been accepted.

2. The Aghas are said to have telegraphed to the National Assembly demanding war against Turkey and offering the services of 20,000 volunteers. The latter continue to drill, but their enthusiasm is waning.

3. The President of the National Assembly told His Majesty's Chargé d'Affaires that it would eventually be found necessary to summon the Aghas to Tehran, and to replace the present weak Governor. It is to be hoped that this will be done soon, as the

Governor has informed His Majesty's Consul-General, in connection with the supply of guards for the protection of telegraph line inspectors, that he cannot guarantee their safety, as he is not Governor at all, the Aghas being in charge of the province.

4. The Persian telegraph office has been closed by the people to compel the Government to insure the safety of the roads, which continue to be infested by robbers.

Yezd.

A caravan has been robbed on the Kerman road. The road guards had one killed and five wounded in the skirmish.

Kum.

The forcible removal of the guardian of the shrine has led to disorder and bloodshed. A number of people took refuge at the British telegraph office, but the situation seems to be calmer now.

Seistan and Kain.

1. The Director of Customs, M. Duhem, states that he has fined the Customs Mirza at Girdeh 10 krans. This man was reported for assaulting a servant of the British Consulate.

2. The Heshmet-ul-Mulk was reported to be about to return to Seistan as Governor of Seistan and Kain. It will be remembered that his half-brother, Shaukat-ul-Mulk, is Governor of Kain. His Majesty's Consul was asked his views on this matter by His Majesty's Minister, and replied that the return of the Heshmet should be prevented. The necessary steps have been taken as reported elsewhere.

Kerman.

The local Assembly elections led to disturbances and to a crowd of people taking refuge at the British telegraph office. The matter was settled at the end of September.

Kermanshah.

The town continues disturbed; robbery and murder are of daily occurrence. Fever is very prevalent. The Manager and Accountant of the Imperial Bank, who had lately arrived, are both down with typhoid.

Shiraz.

The Nizam-es-Sultaneh continues Governor of Fars and appears to be maintaining order fairly well, though the roads continue to be somewhat unsafe. The bags stolen from the Residency courier have been recovered, and compensation has been paid.

Bushire.

The new Governor, Darya Beggi, has arrived and has taken up his duties. The late Governor, Said-es-Sultaneh, was robbed of all his travelling equipment on his way north. The new Governor stated to His Majesty's Acting Resident that all the ports of the Gulf without exception had now been included in his Governorship. He has, however, re-established the illegal tax on transport called "rahdari."

Bunder Abbas.

1. A new Director of Customs has been appointed to replace the objectionable official of whom His Majesty's Legation had seriously complained.

2. The Russian Consul has been for some time in the hills, and his activity, and that of his spies, has therefore ceased for the present.

Lingah

The entire Customs Department staff have resigned, and the Director dares not leave his house. There have been some troubles over the local Assembly, in which the Director of Customs, who is a Persian, took part.

(Signed) C. B. STOKES, Captain,
Military Attaché.

[35502]

No. 123.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 234.)

Sir,

Tehran, October 11, 1907.

I HAVE the honour to transmit to you herewith copies Nos. 36 to 38, inclusive, of the diary of Captain Smyth, Military Attaché at Meshed.

I have, &c.

(Signed) CHARLES M. MARLING.

Inclosure in No. 123.

No. 36.—*Diary of Captain Smyth for week ending September 7, 1907.*

Summary of News.

(Secret.)

TASHKENT reports arrival of 200 recruits.

2. Tashkent reports arrival of Government of Ferghana at Tashkent, probably en route to take up his appointment as Governor of Semirechia.

3. The Governor of Kushk has been promoted to the rank of Lieutenant-General.

4. As cholera is spreading in Baku, quarantine has been established at Krasnovodsk.

5. Krasnovodsk reports arrival by sea of a large amount of rails and other railway material.

6. Garrison reports from Krasnovodsk and Merv show that a good many men are absent from these two places. They are presumably guarding the railway, as we know the Askabad, Samarkand, and Tashkent troops are doing.

7. Sarakhs reports the presence of fifty Cossacks. These are probably Cossacks from Pul-i-Khatun, brought to Sarakhs temporarily in case of disturbances there or at Tejend, in both of which places there are no Cossacks.

8. The engine-fitting shop at Merv has been burned down. This looks suspiciously like a revolutionary outrage.

9. Patakisar reports an outbreak of insubordination among some troops encamped outside Patakisar. This outbreak is an expression of the soldiers' resentment at the measures taken by the medical officers to check the fever prevalent among the troops, which they (the soldiers) ascribe solely to too much work in the heat.

"Transcaspian Review."

August 30.—Cholera is spreading in Baku, so doctors and other officials have gone to Baku, and have established a regular quarantine service there to prevent the disease entering Central Asia.

As M. Batooshkov's offer does not comply with the conditions laid down by the authorities, the Government has decided not to accept his tender for the Amu Darya flotilla.

(See last week's diary. He offered to run the Amu Darya flotilla if paid 218,000 roubles a-year by the Government.—H. S.)

"Turkestanhiya Vedomosti."

August 24.—Major-General Prasolev, Governor of Kushk, has been promoted to the rank of Lieutenant-General.

Krasnovodsk Reports.

August 20.—Fifty men of the Railway Battalion left E. (This no doubt refers to the railway men stationed at Krasnovodsk.—H. S.)

August 22.—Two steamers came in from Baku, one of which carried a cargo of iron rails, sleepers, and other railway material, all of which was unladen here.

August 26.—A steamer discharged a quantity of ammunition into four railway waggons, which were sent E.

Garrison of Krasnovodsk.—Krasnovodsk Reserve Battalion, 400 strong.

Detachment 1st Railway Battalion, 100 strong.

Frontier Guard, Customs Guard, &c., 100 strong.

Askabad Reports.

August 25.—Four hundred men of the 4th Transcaspian Battalion with their arms and equipment came in by rail from W., and have gone into camp outside the town. (These have probably been on duty on the railway.—H. S.)

August 27.—The Geok Tepe Reserve Battalion has gone out from Askabad into camp.

August 29.—Twenty Cossacks—Badge K—left for Kahka with sixteen newly-arrived horses. (Probably men of the Kahka Horse Artillery Battery with remounts.—H. S.) Twenty-five men of the 3rd Transcaspian Battalion with their arms and equipment left by rail E.

Sarakhs Reports.

August 20.—The new Governor of Sarakhs arrived. A large number of Turkomans arrived to complain to him that they were not receiving their fair share of the (Hari Rud) river water. They also complained about the conduct of the official in charge of the water distribution.

August 21.—The Governor went out to the water "Band" to inquire into the Turkomans' complaints.

August 22.—I visited the military hospital, and found there were thirty-seven soldiers sick in hospital.

August 23.—Fifty Russian Cossacks, with one officer, left for Pul-i-Khatun. (As writer lays no stress on this move, it is probably local, i.e., Cossacks from Pul-i-Khatun on patrol or training work.—H. S.)

August 26.—The Governor returned from his visit to the Turkomans.

August 27.—Thirty-five recruits arrived from Tejend.

Merv Reports.

August 20.—The engine-fitting shop at Merv was burned down and all the machinery destroyed.

August 21.—Twenty Kavkaz Cossacks left Kushk.

August 25.—Twenty men of the 8th Transcaspian Battalion arrived from Kushk.

Garrison of Merv.—400 Cossacks.

300 Artillerymen, 2nd Brigade.

6th Transcaspian Battalion, full strength.

7th Transcaspian Battalion, full strength.

Transcaspian Sapper Battalion, 300 men.

Merv Reserve Battalion, 400 men.

Medical and other details, 200 men.

Patakisar Reports.

August 22.—Two parties of scouts have come in from a tour along the frontier and in the country. (These seem to be some of the mounted scouts attached to the infantry.—H. S.)

They brought back with them forty horses, which they had purchased as remounts. They brought in some pigs and other animals they had shot, also the skins of two lions (?).

Some of the troops now in camp have mutinied, or rather they have struck work, refused to go on parade, and have submitted the following statement of their grievances:—

[1519]

1. The medical officers have forbidden them to eat fruit, on the grounds that it makes them sick.

2. They are not allowed to go out freely on Sunday, only a few favoured men being allowed out.

3. It is overwork in the sun that makes them sick, not fruit. They are worked in the sun from 6 A.M. to noon every day. See, for instance, how badly "Root" Commander Captain Kosrov has treated his men, working them all day in the sun like dogs, making them so thirsty that they had to drink quantities of water, with the result that half his corps is now down with fever.

4. Certain men have been sentenced to ten days' imprisonment, only for bringing back fruit from the bazaar for other men, though the officer on duty for the day gave them leave to go.

5. Why are the officers allowed to eat fruit freely if it is so bad for the men? No, it is heat and overwork, not fruit, that makes them ill.

As the Governor of Patakisar is not here, the question of this mutiny or strike has been referred to Tashkent.

Tashkent Reports.

August 17.—Fifty mixed soldiers (? time expired) passed through N.

August 20.—Two hundred recruits have arrived here from Orenburg, and have been clothed, armed, and equipped.

(By the way in which writer puts this, he implies that he did not see the recruits arrive and detain, but that he noticed them in the lines after their arrival.—H. S.)

August 21.—The Governor of Margelan arrived, and was received at the station by the Governor-General.

(Signed) H. SMYTH, Captain,
Military Attaché.

Meshed, September 7, 1907.

No. 37.—*Diary of Captain Smyth for week ending September 14, 1907.*

Summary of News.

(Secret.)

1. Cholera has entered Transcaspia; at least two well-authenticated cases have occurred at Krasnovodsk, and there are rumours of other cases at various points along the C. A. Railway.

2. This hot, unhealthy season in Transcaspia has paved the way for an autumn outbreak of cholera, though the lateness of the season will probably prevent the disease being as fatal as might otherwise be expected.

3. A deliberate attempt has been made to murder Colonel Gesket, General Oolyanin's successor as Chief of the C. A. Railway.

4. The Tashkent newspaper gives an interesting programme of a fortnight's manœuvres to be held near Troitskoe. It is noteworthy that these manœuvres are apparently confined to the troops composing the Tashkent garrison, and are not in any sense manœuvres of the 1st Army Corps. The only exception that I can see to this is that there are more mountain guns (fourteen) than are usually reported at Tashkent. The Margelan Mountain Battery is reported (see paragraph 6(c) below) to be absent from its station, so perhaps its six guns help to make up the fourteen mountain guns present at Tashkent.

5. But the most noticeable feature in these manœuvres is the absence of mounted troops, there being only one sotnia of Cossacks detailed for manœuvres, though there are at least 1,500 Cossacks in Tashkent. As a parallel case, it will be noticed that only 200 Cossacks are reported at New Margelan, though the establishment there is two full regiments. The truth is that the Cossacks are being employed to keep down the revolutionaries in the cities and towns of Turkestan, whereas the authorities are only too glad to see the less reliable regular soldiers well out of the way in manœvre camps, in purely military cantonments like New Margelan and Patakisar, on the railway, or anywhere else as long as they are out of the way of revolutionary orators.

6. Garrison reports show:—

(a.) *Charjui*.—Garrison increased by detachments from Kerki. The presence of four old pattern field-guns noted at Charjui, too. I am inclined to accept this statement

about these four guns, as Samarkand reported (Diary No. 33) that the infantry were being trained to the use of these guns. An old pattern field-gun is quite good enough to sink a mutinous river-steamer or to batter down a house held by revolutionaries.

(b.) *Samarkand*.—Normal except for absence of various detachments on the railway. The number of fortress artillerymen is reported at 500, i.e., double the number usually reported there. These extra fortress gunners may be either the Margelan Company (see paragraph (c) below) or they may be some increase in establishment, such as we have recently noticed in the fortress artillery at Termez.

(c.) *Margelan*.—Normal except for presence of large number of railway troops; the despatch of these troops from Samarkand was noted by Samarkand Agent in Diary No. 35. Margelan also reports absence of both the Cossack regiments usually there (see paragraph 5 above), and of the Mountain Battery (see paragraph 4 above), and of the Fortress Company (see paragraph (b) above). The failure to report the Fortress Company may be an oversight, however, as reporter mentions the fort and some old pattern guns in it, so he may think that this mention includes the gunners, though I hardly think so, as he specially notes that this fort was held by a detachment of fifty men of the Andijan Reserve Battalion.

(d.) *Andijan*.—Normal.

(e.) *Osh*.—Normal.

7. Judging from the report of one of our men who has been along the T. O. Railway, there do not seem to be many troops at the towns on that railway, nor is there the same state of alarm as to the possibility of its interruption as there is on the C. A. Railway.

8. The Patakisar garrison is being trained to the use of the new heavy guns.

9. Patakisar reports a renewal of the Russian excitement about the Ameer's tour, his expected visit to Mazar-i-Sharif being the cause.

10. The prosperity of the Kokand district is increasing: two new large mills have just been completed, and a Government Treasury is to be opened, as well as the existing banks.

"Transcaspian Review."

September 1.—Two attempts have just been made to shoot Colonel Gesket (Chief of the C. A. Railway) as he was travelling on the railway. He was fired at at Samarkand and at Verevskaya, but was not touched.

It seems probable that the cholera will cross the Caspian and reached Askabad.

September 3.—Orders have been given that a doctor with an attendant and medicines is to travel on every passenger train, to be ready if a case of cholera occurs in the train.

Eighteen thousand roubles have been stolen from the treasure chest of the Semirechia Cossack Regiment.

September 4.—The office of the Governor of Askabad has come in from Feroza to Askabad.

From the 1st September (Russian date) a Government Treasury will be opened at Kokand. This is an addition to the Government bank already there.

September 5.—As the passenger train from Andijan came into Dragomirov Station a bomb was exploded under it. No damage was done.

Five rifles have been stolen from the 1st Transcaspian Battalion (at Askabad).

Prince Vorontsov Dashkov has returned to Tiflis (as Viceroy of the Caucasus).

September 6.—Yesterday General Kartsev with his family came in from Feroza.

There is a lot of malarial fever in Transcaspia now.

A man has died of cholera in Krasnovodsk.

September 8.—M. Saloviov, a large Moscow merchant, has just finished building two mills at Kokand at a cost of 400,000 roubles. One of these is a cotton spinning mill, and the other a cotton oil mill.

On the 8th August there was another fatal case of cholera at Krasnovodsk, a passenger who had just arrived from Baku.

September 8.—A meeting has been held at the office of the Chief Notary of Askabad to discuss the formation of a Tramway Company at Askabad.

At midnight on the 6th September a brawl took place between two parties of soldiers at their barracks. Each party fired on the other with rifles; five men were wounded.

The police have made a big haul of arms, &c., at Tiflis, getting—

14 bombs ready charged.
32 empty bombs.
3 lbs. fulminate, and a quantity of Bickford fuze.
234 dynamite cartridges.
8 Government magazine rifles.
7,000 cartridges for magazine rifles.
And a quantity of other rifles, arms, and ammunition.

"Turkestanskiya Vedomosti."

September 5.—A Committee has been formed at Tashkent to arrange precautions in case of an outbreak of cholera there.

Tashkent Manœuvres.

From the 14th–25th September (1st–12th, Russian dates) the Tashkent garrison will undergo a two-weeks' course of mobile training from the Troitskoe camp.

The radius of these manœuvres will include the villages of Parkent, Kara-Mazar, Kodjakent, and Troitskoe. The following will participate in these manœuvres:—

6 Battalions Infantry.
1 Sotnia Cossacks.
14 Mountain guns.
12 Field guns.
2 Sapper companies.
2 Telegraph companies.

On the 17th and 18th September the following force of the three arms will carry out a field firing scheme:—

6 Companies Infantry.
1 Field battery.
1 Mountain battery.
1 Sotnia Cossacks.

On the 19th and 20th there will be hill training (or manœuvres in the mountains—H. S.) which will not be attended by "foot" artillery. After this all troops will be divided into two sides and have sham fights—one side against the other.

The manœuvres will finish on the 26th September, when the whole force will rendezvous at Troitskoe and will return to Tashkent on the 27th.

Merv Reports.

August 27.—Twenty boxes rifle ammunition sent Kushk.

August 29.—Two hundred boxes rifle ammunition arrived by rail, and were taken to the magazine in the Cossack lines.

August 30.—Forty men of the 3rd Transcaspian Battalion arrived from Askabad. (Their departure from Askabad was reported last week.—H. S.)

September 1.—Thirty men of the 7th Turkestan Battalion passed through W. by rail.

Charjui Reports.

August 22.—The Infantry battalion marched to the town, and was there broken up into parties which patrolled every street, lane, and corner of the town the whole morning.

(This was probably to prevent resistance by, or escape of, suspects or removal of arms, &c., while a police search was in progress.—H. S.)

August 24.—Twenty "Kavkaz" Cossacks passed through E. by rail.

August 29.—Fifty men of the 20th Turkestan Battalion came in from Kerki and left W. by rail.

August 30.—An officer on special duty with ten soldiers left for Kerki on a steam-launch.

August 31.—Fifty Cossacks who have been in Charjui for some days left W. by rail. Thirty time-expired infantrymen passed through E. by rail.

Garrison of Charjui.—17th Turkestan battalion; strength, 800.

Detachments of 19th and 20th Turkestan battalions; strength, 400–500.

Detachments of Railway, Telegraph, and Intendence, employed in the different offices, workshops, and stores.

There are no Cossacks and no regular battery, but there are four old pattern field-guns with the troops.

This makes a total of nearly 2,000 men.

Patakisar Reports.

August 24.—Artillery training with the new guns is proceeding energetically. Target practice is being carried out with them in three places, viz., on the W. side of the (large) fort, on the S. side towards the Amu Darya, and in the laager (camp), where some old buildings are being used as a mark.

A special expert artillery officer has arrived as instructor in the use of these guns, and the General Officer Commanding Artillery is expected from Tashkent to inspect the progress made.

The news of the Ameer's expected visit to Mazar-i-Sharif has caused a fresh outbreak of excitement among the Russians. Numerous reports have been received from their agents in Afghanistan to the effect that the Ameer is accompanied by British engineers in disguise, and that his whole tour is really only a British reconnaissance of the Russian frontier.

The Russians are perplexed, too, at the news that the Ameer is buying, through his agents (in Russian territory) quantities of ironwork and woodwork for the construction of carts. The dispatch of this material into Afghanistan is confirmed by the Kafila Bashi of Patakisar, Mirza Kasim Khan.

The garri-sons of the frontier guard-houses have lately been increased, and so have the strength and number of patrols between these posts along the river bank.

Strong pickets and patrols are kept in the town of Termez all night as well as day.

August 31.—Twenty-five Cossack artillerymen of the Cossack battery left for Samarkand.

Samarkand Reports.

August 30.—There have been no particular movements of troops during the week, but strong patrols are constantly in the town, and parties of troops are posted on the railway and at numerous other places to preserve order.

The following is the strength of the garrison (this is the total strength, and includes parties temporarily detached on the railway, &c.), unless otherwise mentioned:—

5th Turkestan Battalion, 800 strong, with two machine guns and 50 mounted men.
6th " " 800 strong, " " "
7th " " 800 strong, " " "
8th " " (at Katta Kurgan), 800 strong; no machine guns or mounted men.

2nd Railway Battalion, 400 at Samarkand now; they have not got any machine guns or mounted men.

Detachment Intendence, 100 strong.

Detachment Military Police, 50 strong.

2nd (Ural) Cossacks, 1,000 strong. There are, however, only 400 actually present at Samarkand, the rest are at Tashkent, Bokhara, and other places on the railway.

4th Field Battery, with 8 Q.-F. guns and 240 men.

6th Mountain Battery.

In the fort there are 500 fortress artillerymen, who are in charge of the reserve of Q.-F. guns, old pattern field guns, heavy guns, and machine guns, which are kept there. (See list in Diary No. 33.—H. S.)

Tashkent Reports.

August 21.—The 1st Turkestan Battalion marched in from the large training camp (Troitskoe). They had a machine gun on a pack horse, and were played in by a band.

August 25.—A supply train of twenty-nine railway waggons full of flour, rice, &c., passed through S.

August 28.—Three waggons containing (? empty) ammunition boxes came in from S.

August 30.—Twenty Cossacks left N. by rail.

August 31.—Two hundred men of the 1st Turkestan Battalion left S. by rail. (Probably for duty on the railway.—H. S.)

September 1.—Two Cossack officers bought eight horses and three cart-loads of provisions in the weekly market; they then took the horses and provisions S. by rail. I believe these horses and provisions were for a party of the Samarkand Cos-acks posted somewhere on the railway.

Report of an Agent who travelled from Tashkent to Orenburg and back.

I observed the following troops:—

At Turkestan on the 13th August, 10 men 1st Turkestan Battalion, 15 artillerymen, 3 guns.

These troops were in the little fort, where the Governor's office is.

At Ak Masjid, on the 17th August, 50 men 2nd Turkestan Battalion, 20 artillerymen, 2 guns.

At Kazalinsk, on the 22nd August, 30 men 2nd Turkestan Battalion.

At Orenburg, on the 25th August, 1,000 infantry, with badge 61 on shoulders and badge 241 on caps.

On the way back to Tashkent I met a party of thirty time-expired Transcaspian Infantry on their way to Orenburg.

Report of a man travelling from Andijan to Charjui, dated Charjui, September 1, 1907.

I noted the following troops:—

At Osh (from information received in Andijan), 1 battalion infantry, 2 guns (perhaps machine-guns).

At Andijan, 11th Turkestan Battalion, 4 old-pattern guns in the fort.

At Margelan, 9th Turkestan Battalion, Andijan Reserve Battalion, 400–500 men 2nd Railway Battalion, 100 men 6th (Orenburg) Cossacks, 100 men 1st (Semirechia) Cossacks, 1 field battery of 8 guns, 4 old-pattern guns in the fort (one mounted at each corner), 2 guns with the Cossacks (? machine-guns).

(Signed) H. SMYTH, Captain,
Military Attaché.

Meshed, September 14, 1907.

No. 38 *Diary of Captain Smyth for week ending September 21, 1907*

Summary of News.

(Secret.)

1. Major-General Pokotelo has taken over the Governorship of Semirechia.
2. Krasnovodsk reports departure of 60 time-expired and arrival of 100 recruits. The arrival of these recruits is confirmed by Askabad.
3. Another high official of the C. A. Railway has been shot dead while driving through Askabad. This time two of his assassins were captured by a Cossack patrol.
4. Merv reports a double attempt to murder the Pristav, by shooting him in the street and by a bomb in his house.
5. The state of Merv seems particularly bad. A large party of discontented soldiers have openly tried to destroy the railway bridge, an attempt frustrated only by the prompt and determined action of 300 Cossacks.
6. Garrison reports show Askabad garrison to be fairly normal, the number of Cossacks only being less than might be expected there now. On the other hand, Sarakhs reports presence of 500 Cossacks, which number probably includes some from Askabad as well as from Kushk and Pul-i-Khatun.
7. It is difficult to say what so many Cossacks are doing at Sarakhs now. The place is unhealthy at present, and the Russian population is not large enough to make any revolutionary outbreak likely. These Cossacks are probably there for some local training or frontier demonstration.

8. No spread of the cholera at Krasnovodsk is reported. Sarakhs, however, reports serious sickness, and many deaths among the troops there. It is worth noting that this Sarakhs outbreak was a short time ago reported in Meshed by the Russians as cholera, which was afterwards contradicted by the Russian Consul-General on the authority of the Governor of Askabad.

9. A fatal and contagious form of sickness prevails in Bokhara. Travellers have described this as plague; but one of our Agents who has just visited Bokhara reports that it is not plague, but malignant pustule, a statement I believe to be correct.

10. Krasnovodsk reports arrival of large quantities of railway material, four steamers having arrived with apparently no other cargo.

11. In this connection Askabad mentions that a quantity of narrow-gauge railway material has been collected at Bezmen. News-writer thinks that the Feroza Railway is about to be extended, but does not specify where to.

12. Merv reports that the Tash Kepri-Penjdeh branch line is about to be actually commenced at last.

13. Merv also reports two canal projects—one from Yulatan to Bahram Ali, the other from the Oxus.

14. Margelan reports a railway about to be begun from Margelan to Namangaon. The Russian newspapers previously said that this Namangaon branch was to take off from Kokand, but Margelan seems just as likely a starting point.

15. All these reports of intended construction of railways and canals (and the two may easily be confused in their earlier stages), added to the definite information of our Agents about the arrival of large amounts of railway material at Krasnovodsk, make it necessary for us to keep an extra sharp look-out for fresh railway construction. We must not, however, even if work on a line is actually begun, jump to the conclusion that there is any serious intention of carrying the project through until we have clear proof of it, as the Russians often begin some railway work which is reported to be an important extension to the Afghan frontier or elsewhere, whereas it often turns out to be only a short piece of line to carry stone (as at Ziadin, Kushk, &c.), or water (as at Farab).

"Transcaspian Review."

September 11.—General Grodekov has gone on tour to the Samarkand and Ferghana districts, and will not be back in Tashkent before the beginning of October.

On the 7th September 2,000 Berdan cartridges were found in an Armenian's house at Charjui.

"Turkestanskiya Vedomosti."

September 6.—The firm of Vladimir Alexiev has got a Concession from the Governor-General to prospect for petroleum at Sel Rokh in the Tashkent district.

A bomb has been exploded in the house of General Kallaur at Auliata, but no one was injured.

Returns taken in 1906 give the following figures (I have taken only a few figures from a mass of statistics.—H. S.):—

Population of the Syr Darya Province was 1,667,168.

"	"	Tashkent Province	"	305,183.
"	"	Tashkent Town	"	174,664.

The population of the Syr Darya Province is composed of:—

Russians (presumably this does not include soldiers—H. S.)	..	..	66,053
Mussulmans	..	..	1,587,790
Armenians	..	..	1,125
Catholics	..	..	1,403
Protestants, Jews, &c.	..	..	11,097
Total	..	..	1,667,168

September 8.—There have been several cases of cholera in the environs of Krasnovodsk.

September 10.—Major-General Pokotelo has arrived in Semirechia, and has assumed the duties of Military Governor there.

Krasnovodsk Reports.

The following time-expired men have passed through *en route* for Russia:—

September 1.—Thirty men of the frontier guard.

September 15.—Thirty men of the 4th Transcaspian Battalion.

The following have come in from Baku:—

September 3.—A steamer with a large amount of rails and other iron railway material. This and the other material mentioned below was all stacked on the wharf.

September 7.—Two steamers with cargoes of wooden sleepers.

September 8.—A steamer laden with iron girders of all sizes, and other material for the culverts and bridges on the railway.

September 11.—One hundred recruits, who were sent off E. by rail.

September 13.—Seven hundred bags flour. These were stacked on the wharf.

The following other movements noted:—

September 6.—Twenty waggon loads of firewood came in by rail from E., for use of the Government officials, &c., here.

September 9.—Three trucks full of the railway material stacked on the wharf were sent off E.

There have been a few cases of cholera here, but nothing serious.

Askabad Reports.

September 2.—A waggon load of time-expired soldiers, without arms or accoutrements passed through W.

September 4.—Three hundred men of the 1st Transcaspian Battalion and fifty Cossacks came in from Bezmen (the first station W. of Askabad).

September 5.—One waggon load flour and fifty bags rice came in from W.

September 6.—Forty men of the Geok Tepe Reserve Battalion left W. by rail.

September 7.—A field battery came in from camp.

September 10.—The first assistant to the chief of the C. A. Railway has been shot dead by four Georgians as he was driving through Askabad. A Turkoman orderly with him was also seriously wounded. Two of the assailants were arrested by a Cossack patrol.

September 13.—One hundred and thirty recruits have arrived (from Krasnovodsk), and have been posted to the 1st and 3rd Transcaspian Battalions.

The Feroza Railway was very badly damaged by floods this spring; the Russians are in consequence relaying the whole of the section from Ak Tapa to Feroza. This section is 9 versts, the total length of the railway from Bezmen to Feroza being 22 versts. I think the Russians are contemplating an extension of the Feroza Railway, as there are many more rails, sleepers, &c., collected near Bezmen than are required for relaying the section referred to above.

Garrison of Askabad.—1st, 2nd, 3rd, 4th Transcaspian Battalions, about 800 strong.

Geok Tepe Reserve Battalion, about 800 strong.

Four hundred Cossacks. These include the head-quarters of the Taman Regiment, and parties of two other corps of Cossacks from the Caucasus.

Artillery and details as usual.

Sarakhs Reports.

(It will be noticed that some part of this report is dated earlier than the last report received from Sarakhs in Diary No. 36. This is because parts of previous reports were illegible, and were returned to writer for resubmission.—H. S.)

August 11.—Four soldiers died in hospital.

August 12.—There is so much sickness here that the hospital accommodation is insufficient, and over twenty tents have been pitched near the hospital.

August 19.—A rifle has been stolen from the 5th Battalion.

August 21.—Strict orders have been issued forbidding any soldier to buy fruit.

August 28.—During the past ten days twenty soldiers have died in hospital.

September 1.—Two cart loads of ammunition have arrived from Tejend.

September 5.—A number of Cossacks have arrived in Sarakhs. They are a mixed lot, some belonging to the Kavkaz Regiments, and some having no badges at all. (Perhaps some of the latter Frontier Guard, not Cossacks.—H. S.)

September 8.—For the last twenty days, ten cart loads of wheat a-day have been dispatched to Tejend. (? Wheat from Persia.—H. S.)

September 9.—There are four machine-guns here now. (? Two with infantry battalion, and two with newly-arrived Cossacks.—H. S.)

The troops have been practising night firing with rifles and machine-guns.

Troops at Sarakhs.—5th Transcaspian Battalion; 800 strong.

Detachment intendance.

4 machine guns.

500 Cossacks.

These Cossacks have come from different directions; they include the whole of the Pul-i-Khatun Sotnia; there are now no Cossacks at Pul-i-Khatun.

(Orders have been sent to this news-writer to supply more precise information as to whence these Cossacks came, their purpose at Sarakhs, &c.—H. S.)

Merv Reports.

September 2.—A party of men armed with rifles waylaid and fired at the Pristav of Merv as he was driving past. The Pristav escaped, but his Turkoman orderly was wounded. The Pristav, while firing his revolver at the assailants, accidentally shot his coachman dead. During the night after this an attempt was made to blow up this Pristav in his house; the house was wrecked, but the fate of the Pristav is unknown; he has not been seen in Merv since then.

September 5.—A new Pristav—a Mussulman of Daghestan—has arrived here with a personal escort of twenty-five of the new Lesghian Cossacks. It is said that he intends to take severe measures against the Armenian revolutionaries here.

September 6.—Nine waggons full of men of the artillery, 8th Transcaspian and Kushk Battalions, left for Kushk.

September 7.—Frequent unsuccessful attempts have been made to repair the Band-i-Sultan. Now the Russians propose to make a canal from Yulatan to Bahram Ali. A light tramway is to be laid alongside the course of this canal to facilitate construction; 160 workmen are now engaged in levelling the ground for this tramway. There is a project, too, to make a canal from the Amu Darya to irrigate the country to the south-east of the C. A. Railway between the Amu Darya and Murghab Rivers. I hear work is to be commenced on this too. It is also said that the long-deferred Tash Kepri-Penjdeh Railway is now really to be begun; certainly engineers and contractors are engaged in examining the already pegged-out route, and gangs of Hazara labourers are being engaged and sent down the Kushk branch from Merv.

September 9.—A guard of the 7th Battalion is now posted at the station night and day.

September 10.—There have lately been 300 Cossacks in Merv and 100 more in lines some distance away. On the 10th September a number of discontented infantry soldiers, having determined to destroy the railway bridge, proceeded there with kerosene oil and other materials to destroy it. The Cossacks got news of this, and the whole 300 mounted went to the bridge and drove off the soldiers before they had time to damage it. After this the other 100 Cossacks were hurriedly brought in from outside the town. A guard of twelve men of the 6th Battalion has been posted on the bridge too; the sentry is on the lower and the guard on the upper part of the bridge.

Charjui Reports.

September 5.—In the garrison report I submitted last week I forget to mention that the 17th Turkistan Battalion has two machine guns carried on pack horses. On parade each gun is followed by two other pack horses carrying ammunition.

Patakisar Reports.

September 5.—General Semelov, Governor of Patakisar, has returned from Tashkent via Charjui by steamer, accompanied by four officers of his staff. The steamer he came by also brought a quantity of pontoon stores. Since the return of the Governor the troops have gone on parade daily, and the insubordinate troops in camp have returned to their duty.

September 7.—A party of fourteen officers has just arrived here from Samarkand by road. These officers, under the command of a Colonel, left Samarkand on the 15th August, and have travelled to Patakisar slowly. They were separated into several small parties and spread out so as to make a thorough military reconnaissance of the road and country between Samarkand and Patakisar. Each officer had six Cossacks told off to accompany him. They reported on the road, hills, water, supplies, crops, animals, and especially on the villages and population of the country.

Bokhara Reports.

September 5.—An infectious disease called "siah dana" (malignant pustule.—H. S.) is raging in Bokhara, and has caused a number of deaths.

Samarkand Reports.

September 4.—Three hundred and twenty men of the Zerabulak Reserve Battalion left by rail for duty on the Andijan Branch Railway.

September 7.—A General, named Rezekov, arrived and inspected all the troops in garrison.

Margelan Reports.

September 5.—A railway is going to be built from Margelan to Namangaon. The Russians have collected a large quantity of material and a number of workmen at Margelan, and the railway is to be commenced at once.

(Signed) H. SMYTH, Captain,
Military Attaché.

Meshed, September 21, 1907.

[35456]

No. 124.

Sir A. Nicolson to Sir Edward Grey.—(Received October 28.)

(No. 522.)
Sir,

St. Petersburg, October 18, 1907.

ON receipt of your telegram No. 251, communicating the substance of the instructions with which Mr. Wratislaw had been furnished, I wrote to M. Goubastoff a letter, of which I have the honour to inclose a copy. I received this morning a reply from his Excellency, of which I also beg leave to transmit a copy, and in which he informs me that similar instructions will be sent to Baron Teherkassow, with certain supplementary advice in which he trusts that you will concur.

I have, &c.
(Signed) A. NICOLSON.

Inclosure 1 in No. 124.

Sir A. Nicolson to M. Goubastoff.

Cher M. Goubastoff,

Saint-Petersbourg, le 4 (17) Octobre, 1907.

ME référant à la lettre que vous avez bien voulu m'adresser le 2 (15) du mois courant, je m'empresse de vous informer que Mr. Wratislaw s'est rendu sur la frontière pour étudier, en premier lieu, la situation actuelle et de fournir à son Gouvernement des renseignements exacts y relatifs. En même temps il a reçu des instructions d'attirer l'attention sérieuse du Commissaire Ottoman sur la haute importance de rendre compte au Sultan des localités que les troupes Ottomanes viennent d'occuper dans ce dernier temps et qui se trouvaient antérieurement sous la juridiction Persane. Mr. Wratislaw d'ailleurs est chargé de faire de son mieux pour convaincre le Commissaire Ottoman que la carte de Dervish Pacha est tout à fait inacceptable.

Sir E. Grey serait heureux d'être saisi des instructions dont vous pensez munir le Vice-Consul de Russie afin de pouvoir arranger une action en commun.

Veillez, &c.
(Signé) A. NICOLSON.

Inclosure 2 in No. 124.

M. Goubastoff to Sir A. Nicolson.

M. l'Ambassadeur,

Le 4 (17) Octobre, 1907.

EN réponse à la lettre que vous avez bien voulu m'adresser aujourd'hui, je m'empresse de vous informer que les instructions qui seront envoyées au Baron Teherkassow sont conformes en tous points à celles dont a été muni Mr. Wratislaw. En outre, notre Vice-Consul est invité à n'agir que d'accord avec son collègue d'Angleterre et à ne pas perdre de vue que, comme la Turquie n'a pas accepté la médiation des deux Puissances, les Consuls de Russie et d'Angleterre n'ont pas la qualité de Délégués officiels dans la Commission Frontière, et que leur position indéterminée qui en résulte les oblige à une prudence extrême dans leur activité.

Puisque votre Excellence me dit dans sa lettre que Sir E. Grey désire une action en commun des deux Consuls, je serais heureux d'apprendre que le Ministre des Affaires Étrangères Britannique a complété les instructions de Mr. Wratislaw dans le sens susindiqué.

Veillez, &c.
(Signé) GOUBASTOFF.

[35467]

No. 125.

Sir A. Nicolson to Sir Edward Grey.—(Received October 28.)

(No. 534.)
Sir,

St. Petersburg, October 24, 1907.

I HAVE the honour to transmit herewith copy of a confidential private letter which I have received from M. Goubastoff relative to the contract of the recently appointed French Financial Adviser to the Persian Government, in which his Excellency desires that some modifications should be introduced for the purpose of placing some limits to the functions of M. Bizot. Before furnishing M. de Hartwig with instructions, the Russian Government would be glad to be informed, as soon as possible, of the views of His Majesty's Government on the subject.

I have, &c.
(Signed) A. NICOLSON.

Inclosure in No. 125.

M. Goubastoff to Sir A. Nicolson.

(Confidentielle.)

M. l'Ambassadeur,

Le 10 (23) Octobre, 1907.

SUR la demande du Gouvernement de Sa Majesté le Schah, le Gouvernement Français a consenti à la nomination de M. Bizot en qualité de Conseiller du Ministère des Finances Persan afin de remplir les fonctions d'Inspecteur Financier. Désirant déterminer exactement la portée de la mission qui sera confiée à la personne en question et formuler d'une manière claire et définie, dans le contrat qui sera conclu avec elle, le rôle et les fonctions qui l'attendent en Perse, le Gouvernement Persan a interpellé à ce sujet le Ministre de France à Téhéran, qui a cru devoir formuler dans sa note responsive le rôle du Conseiller Français dans les termes suivants :—

"M. Bizot remplira les fonctions de Conseiller Financier auprès du Gouvernement Persan ; il l'assistera de sa haute compétence pour toute l'œuvre financière et administrative propre à rétablir les finances du pays. Il remplira à cet effet tant à l'intérieur qu'à l'extérieur toutes les missions de confiance qui pourraient lui être données."

Une pareille formule présente, à l'avis du Gouvernement Impérial, de graves inconvénients. En effet, n'étant pas assez concise et déterminée, elle donnerait à M. Bizot une latitude et une liberté d'action presque illimitées dans toute la sphère des questions financières, ce qui pourrait à son tour porter atteinte aux intérêts financiers tant Anglais que Russes en Perse, intérêts qui découlent des Arrangements divers conclus par chacune des deux Puissances avec le Gouvernement Persan. Afin de garantir ces intérêts il serait nécessaire, semble-t-il, d'insister à ce que la formule en question soit modifiée de manière à poser des limites claires et précises aux pouvoirs dont sera revêtu M. Bizot.

En conséquence, avant de munir d'instructions en ce sens le Ministre de Russie à Téhéran, qui n'a pas cru pouvoir donner son approbation à la formule précitée avant d'avoir reçu de Saint-Petersbourg des ordres y relatifs, j'ai l'honneur de vous adresser la prière de bien vouloir, vu les pourparlers antérieurs sur les affaires financières Persanes, qui ont eu lieu entre les Cabinets de Londres et de Saint-Petersbourg, et l'accord si heureusement établi entre eux à ce sujet, me communiquer, dans un terme aussi rapproché que possible, le point de vue du Gouvernement Britannique sur cette question, afin de provoquer, si ce dernier partage l'avis ci-dessus énoncé, une démarche comme des Représentants d'Angleterre et de Russie, d'accord avec leur collègue de France, dans le but de faire introduire dans le contrat de M. Bizot les modifications dont il s'agit.

Veuillez, &c.
(Signé) GOUBASTOFF.

[35515]

No. 126.

Sir F. Lascelles to Sir Edward Grey.—(Received October 28.)

(No. 470.)
Sir,

Berlin, October 22, 1907.

THE Berliner "Tageblatt" publishes a telegram to-day from its Constantinople correspondent stating that Herr Jung, the Commercial Attaché to the German Embassy to the Porte, has been instructed to proceed to Persia for nine months. Herr Jung will shortly leave Constantinople for Persia, and during his stay there will travel through the whole country, and will give his special attention to the relations between German and Persian trade. The "Tageblatt" goes on to say that the English press will doubtless endeavour to connect Herr Jung's journey with the operations of the German Orient Bank, and it is therefore necessary to declare from beforehand that the journey of the Commercial Attaché has no connection whatever with the proceedings of the Bank.

I have, &c.
(Signed) FRANK C. LASCELLES.

[35716]

No. 127.

Sir A. Nicolson to Sir Edward Grey.—(Received October 28.)

(No. 223.)

(Telegraphic.) P.

St. Petersburg, October 28, 1907.

THE following has been repeated to Tehran:—

The following items of information from Tehran form the subject of two Memoranda given me by the Acting Minister for Foreign Affairs. The authenticity of the information, however, M. Goubastoff is unable to guarantee:—

1. The President of the Assembly has received an offer from the German Minister to assist towards a favourable solution of the frontier difficulty between Turkey and Persia, and to finance the new National Bank. Certain Concessions, the nature of which is not specified, are said, in return, to have been requested by the German Minister.

2. Pourparlers have been entered into between the Director of the Imperial Bank of Persia and some members of the Assembly, with a view to bringing about a fusion of the Imperial Bank with the National Bank. The surrender of the right of issuing bank-notes on the part of the Imperial Bank to the National Bank would be one of the conditions.

I said I would endeavour to ascertain if there were any confirmation of the information contained in No. 1, which seemed to me possible, though I doubted the accuracy of that contained in No. 2.

[35731]

No. 128.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 310.)

(Telegraphic.) P.

Tangier, October 28, 1907.

ACTING Consul-General at Bushire telegraphed yesterday, No. 129, as follows:—

"Captain Lorimer telegraphs from Ahwaz:—

"Owing to shallowness of river, "Comet" cannot approach within 4 miles of Ahwaz. On board one case of small-pox has occurred. I have directed "Comet" to proceed to Mohammerah, as there are no means of dealing with the case nor quarantine station here. She will there await instructions from you, after placing man in quarantine.

"If my opinion be asked, it is that presence of "Comet" here is useless, and that she is powerless to affect Bakhtiari question. The Oil Syndicate's manager agrees."

"Major Cox is out of telegraphic communication. What are your orders for R.I.M.S. "Comet"?"

"(Addressed to Government of India.)"

[35700]

No. 129.

Mr. Marling to Sir Edward Grey.—(Received October 28.)

(No. 311.) En clair.

(Telegraphic.) P.

Tehran, October 28, 1907.

ASSEF-ED-DOWLEH appointed Minister of Interior.

[35438]

No. 130.

Sir Edward Grey to Sir A. Nicolson.

(No. 268.)

(Telegraphic.) P.

Foreign Office, October 28, 1907.

I CONCUR. Reference is to your telegram No. 222 of the 26th instant respecting personal loan to Shah.

[35207]

No. 131.

Foreign Office to Persian Transport Company.

Sir,

Foreign Office, October 28, 1907.

WITH reference to my letter of the 22nd August, I am directed by Secretary Sir E. Grey to state, for the information of your Board, that a telegram has been received from His Majesty's Vice-Consul at Ahwaz, reporting that on his way to inspect the Bakhtiari bridges he discovered that your engineer had already painted and repaired them and returned to Ahwaz.

Captain Lorimer represents that this action stultifies the line he had taken up with the Khans, and he reports that he has strongly expostulated against the action of your Company in forestalling discussion of the matter with the Khans without previously informing him of the intention to do so.

It will be within your recollection that, in your letter of the 3rd ultimo, you stated that your Company were ordering their agent at Ahwaz to invite Captain Lorimer to scrutinize every item of the cost to be incurred in this work.

I am, &c.
(Signed) LOUIS MALLET.

[35814]

No. 132.

Sir N. O'Connor to Sir Edward Grey.—(Received October 29.)

(No. 142.)

(Telegraphic.) P.

Constantinople, October 29, 1907.

TURCO-PERSIAN frontier.

Following from Mr. Wratislaw, dated the 22nd instant, received the 25th instant:—

“(No. 23.)

“Your telegram of the 20th instant: Instructions given to the Russian Vice-Consul.

“The instructions which the Russian Vice-Consul has received would appear only to cover the period between now and the date when the Commission meets. He proposes, if possible, to see Tahir Pasha and to visit the districts which the Turkish troops have occupied.

“I should be glad to receive your instructions as to my attitude when the Commission begins to sit.”

[35810]

No. 133.

Mr. Marling to Sir Edward Grey.—(Received October 29.)

(No. 312.)

(Telegraphic.) P.

Tehran, October 29, 1907.

TURCO-PERSIAN frontier. Persian Commissioner has not yet started.

It is essential, in the opinion of the Russian Minister, that, if any result whatever is to be reached, the Consuls should, if possible, be admitted to meeting (see Wratislaw's telegram No. 21 of the 22nd instant). He thinks that the Porte might agree to their presence “to give their advice and assistance,” although he hears that it objects.

[35716]

No. 134.

Sir Edward Grey to Mr. Marling.

(No. 150.)

(Telegraphic.) P.

Foreign Office, October 29, 1907.

GERMAN proceedings in Persia.

Please refer to telegram No. 223 of the 28th October from Sir A. Nicolson repeated to you.

Any information you can obtain should be reported.

[34083]

No. 135.

Foreign Office to India Office.

(Confidential.)

Sir,

Foreign Office, October 29, 1907.

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 12th instant, in which you transmit a copy of a despatch from the Government of India on the subject of two acts of organized piracy committed by Arabs residing at Dayir on the Persian coast, and involving, in one case, the murder of the crew and passengers of a Koweiti boom, numbering twenty-nine in all.

I am to state, in reply, that Sir E. Grey concurs in the recommendation of the Government of India that strong representations should be made to the Persian Government with a view to securing the capture and punishment of the offenders, and full pecuniary reparation for the sufferers in the Koweit case, and further, that the Persian Government should be informed that, failing compliance with the demands of His Majesty's Government, suitable naval action will be taken at Dayir.

I am, however, to add that Sir E. Grey is not hopeful that the Persian Government will succeed, under present circumstances, in securing the punishment of the offenders, or indeed that they will easily be induced to pay compensation. He is accordingly of opinion that a vessel should be ordered to Dayir at once to watch the movements of the pirates in question, with the object, if possible, of effecting a capture at sea; and he

further considers that the Commander should be authorized to land temporarily a sufficient force of men to capture the pirates and hand them over to the Persian authorities, if on arrival at Dayir he should hear that the pirates are in the neighbourhood. This action, as you are aware from the correspondence ending with Sir H. Walpole's letter of the 11th March, 1903, would be in accordance with precedent and practice.

On learning that these views meet with the concurrence of Mr. Secretary Morley, this Department would enter into the necessary communications with the Admiralty.

I am further to state that Sir E. Grey agrees that the Sheikh of Koweit should not be allowed to equip an armed dhow.

With regard to the incidental remark made in the final paragraph of the Government of India's despatch respecting the protection of Koweitis resident abroad, I am to inform you that, notwithstanding the subsequent correspondence on the subject, Sir E. Grey is disposed to adhere to the views expressed in Lord Lansdowne's despatch to His Majesty's Ambassador at Constantinople, No. 246 of the 2nd September, 1903, of which a copy is inclosed for facility of reference.

I am, &c.
(Signed) LOUIS MAILLET.

[35962]

No. 136.

Mr. Marling to Sir Edward Grey.—(Received October 30.)

(No. 314.)

(Telegraphic.) P.

Tehran, October 30, 1907.

I AM informed, very confidentially, by German Minister that he has been recalled to Berlin to the Foreign Office. Herr Stemrich expects to leave within three weeks, though the appointment is not yet official.

[35810]

No. 137.

Sir Edward Grey to Sir N. O'Connor.

(No. 147.)

(Telegraphic.) P.

Foreign Office, October 30, 1907.

REFER to Mr. Marling's telegram No. 312 of the 29th instant: Turco-Persian frontier.

Mr. Wratislaw's telegram No. 5 has not reached me. All his telegrams should be repeated. Tehran has been informed.

[35810]

No. 138.

Sir Edward Grey to Sir A. Nicolson.

(No. 273.)

(Telegraphic.) P.

Foreign Office, October 30, 1907.

PLEASE refer to Mr. Marling's telegram No. 312 of the 29th instant: Turco-Persian frontier dispute.

The Russian Government should be asked to express their views with regard to the proposal that the assistance of the Consuls “à voix consultative” should be given to the Turco-Persian Commission.

[35810]

No. 139.

Sir Edward Grey to Mr. Marling.

(No. 152.)

(Telegraphic.) P.

Foreign Office, October 30, 1907.

ENERGETIC representations should be made, with reference to Turco-Persian frontier, to the Persian Government, in order that the departure of the Commissioners to the frontier may take place immediately.

[35242]

No. 140.

*Foreign Office to Treasury.**Foreign Office, October 30, 1907.*

Sir,
IN reply to your letter of the 24th instant, I am directed by Secretary Sir E. Grey to transmit herewith copies of correspondence, as marked in the margin, which has passed with His Majesty's Minister at Tehran and the India Office respecting the proposed increase of the Consular guards at Ispahan and Ahwaz.

Sir E. Grey is of opinion that, in view of the menacing attitude of the population of Ispahan, reported by His Majesty's Consul-General at that place, it is urgently necessary to take adequate steps for the protection of the lives and property of British subjects there, who number more than forty, and that His Majesty's Government would be incurring a grave responsibility were they to neglect to adopt Mr. Barnham's recommendations.

With regard to the necessity of the proposed increase at Ahwaz, I am to draw the especial attention of the Lords Commissioners of His Majesty's Treasury to Sir C. Spring-Rice's despatch No. 209 of the 13th September, from which it is clear that the lives of British subjects and the valuable property of the Oil Syndicate in the neighbourhood of that place may at any moment be exposed to serious danger, and that the only alternative policy to adequate protection would be the complete withdrawal of the employés from Persia—a course which would be attended with disastrous results to British prestige—apart from the material losses which would be incurred.

With regard to the inquiry contained in the third paragraph of your letter, I am to state (1) that the present guard at Ispahan consists of eight men, that at Ahwaz of twelve; (2) that it is now proposed to send twelve additional men to Ispahan and twenty additional men with two officers to Ahwaz; and (3) that the figures given in the letter from this Department of the 22nd instant represent the gross cost of the proposed increase.

With regard to the last paragraph of your letter, I am to state that, in spite of the Anglo-Russian Convention, which makes no provision for the reciprocal protection of the lives and property of British and Russian subjects, the disturbed state of Persia makes it impossible for the present to contemplate any reduction of the British Consular establishments there, and in support of this view it is only necessary to point to the cases of Ispahan and Ahwaz, in which an increase is considered necessary. When, however, tranquillity and order have been restored in the country, Sir E. Grey will gladly welcome the reduction of the Consular guards, and he trusts that this desirable situation may not be long deferred.

I am to add that, in view of the explanations afforded above, Sir E. Grey earnestly hopes that their Lordships will consent to the proposals now before them

I am, &c.
(Signed) LOUIS MALLET.

[35941]

No. 141

Sir A. Nicolson to Sir Edward Grey. — (Received October 31.)

(No. 540.)

St. Petersburg, October 25, 1907.

Sir,
WITH reference to my despatch No. 531 of the 24th instant, I have the honour to state that on receipt of your telegram No. 260 I wrote M. Goubastoff a private and confidential letter stating that, in the opinion of His Majesty's Government the suggestion of the French Minister at Tehran that the conditions proposed by M. de Hartwig could be practically embodied in the general instructions to be issued to M. Bizot, seemed to meet the objections which the Russian Government had raised to the formula which had been communicated by the French Legation to the Persian Government. If the Russian Government were not of that opinion, I added that I should be glad to be informed what modifications they would desire to see introduced into the above-mentioned formula.

At my interview with M. Goubastoff this afternoon he told me that two or three hours previously he had received a telegram from M. de Hartwig communicating the

* See Part VI, Nos. 323, 335*, 346, 366, 370, 375, 381, 392, 467; and *ante*, Nos. 26, 69, 76, and 77.

proposal of the French Minister, and that at first sight it seemed to him that if instructions were issued to M. Bizot that he should communicate with the Russian and British Ministers on all questions connected with his mission, there would be no necessity to modify the communication which the French Legation had made to the Persian Government. He would, however, wish to examine the matter a little more thoroughly before giving me a definite reply. His Excellency added that his letter to me had been based on some representations which he had received from the Minister of Finance, and that he had not then been aware of the proposal put forward by the French Minister. He will, presumably, consult again with the Finance Minister, and he promised to give me an answer with as little delay as possible.

I have, &c.
(Signed) A. NICOLSON.

[35983]

No. 142.

India Office to Foreign Office. — (Received October 31.)

Sir,

India Office, October 30, 1907.

IN reply to your letter of the 7th instant, forwarding for consideration copy of a despatch from His Majesty's Minister at Tehran as to the project for bringing the Mohammerah-Ahwaz-Borasjun telegraph line under British control, I am to state that Mr. Morley is of opinion that it would not be advisable to raise the question at present with the Persian Minister of Telegraphs, but that, as proposed in your letter of the 18th instant, the matter should be put forward when the time comes for opening negotiations with the Persian Government for the renewal of the Concession of the Indo-European Telegraph Department in Persia. But as regards the question of cost, Mr. Morley must defer his decision as to a contribution from Indian revenues till the subject of the expenditure of Indian revenues upon political and commercial enterprise in Persia, raised in my letter of to-day's date, has been considered and decided as a whole.

A copy of a Minute by the Director-in-chief of the Indo-European Telegraph Department is inclosed.

I am, &c.
(Signed) A. GODLEY.

Inclosure in No. 142.

Minute by Director-General, Indo-European Telegraph Department.

THE British Minister at Tehran is of opinion that an express contract or concession for a new foreign telegraph line in Persia would be difficult to obtain at present. He thinks, however, it might be possible by private contract with the Persian Minister of Telegraphs to construct a new line or repair an old one if we are ready to provide the material and the supervision, trusting for payment to the returns from the line. But any new line so constructed or any old line so repaired would be a Persian Government line, and very little of the revenue earned by it can, under our existing Agreements, come to the Indo-European Telegraph Department. For messages originating and terminating in Persia the Persian Administration is paid all the charges. From messages over a Persian Government line that come from or go to other countries this Department can claim a very small proportion of the Persian terminal rate, and this only on messages which may pass over some section of the Departmental lines. The returns from any Persian Crown line to this Department would be very small. The accounts of 1906-1907 for the Tehran-Meshed line furnish a striking example of this, as the maintenance of the line for the year cost us between 800*l.* and 900*l.*, while the revenue we obtained from it is estimated to have been about 80*l.*

As the Telegraph Administration is farmed out to the Persian Minister, presumably he can make what arrangements he likes for maintaining the lines and offices. He might therefore agree to allow this Department to maintain a section of his lines for him; but it would be necessary, it appears to me, if there is to be any adequate payment from him for this, that this payment should be of some fixed amount. It would be difficult, with a view to payment from traffic earnings, to arrange by a

[1549]

2 D

private contract to get outside the conditions for the treatment of the revenue of the line as laid down in the Telegraph Conventions with Persia. It seems doubtful whether we could get the Persian Minister of Telegraphs to pay a fixed amount for the upkeep of a line, but he might be sounded as to his views on the subject with regard to our maintaining the Mohammerah-Ahwaz-Borasjun line for him in an efficient state. The Persian Administration has had its Tehran-Meshed line maintained on such favourable terms for itself that it is likely it will have strong objections to accept less advantageous terms for the maintenance of any other line. This Administration has had fault found with it at times by the Persian Government for the bad working of the Mohammerah-Borasjun line, but now the telegraph service over the line is reported to be greatly improved, so that the Administration probably considers there is no need for its own purposes to alter its present working arrangements on the line. One reason for obtaining control of this line is to prevent its possible transfer to German hands. Sir C. Spring-Rice thinks the Persian Government would be willing to put the maintenance of a telegraph line into our hands in order to secure an efficient telegraph service at small expense to themselves. It would probably be safer, therefore, for us to deal with the Persian Government, though it might be advisable to use the Persian Minister of Telegraphs as an intermediary in the negotiations, as it is very greatly to his interest to have an efficient line and the increased revenue that it would put into his hands.

(Signed) H. A. KIRK.

October 14, 1907.

[35972]

No. 143.

India Office to Foreign Office.—(Received October 31.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 29th instant, relative to the Abu Musa Red Oxide Concession.

India Office, October 30, 1907.

Inclosure in No. 143.

Government of India to Mr. Morley.

October 29, 1907.

(Telegraphic.) P.

REFERENCE is requested to your telegram, dated the 30th August last, regarding Abu Musa. It is reported by Consul, Bunder Abbas, that service of the notice duly took place, and that the men employed by the concessionaire left Abu Musa Island on the 22nd instant, when the Sheikh's force arrived. There was no offer of any opposition, although a letter was sent to the Sheikh by the concessionaire and Herr Wonckhaus advising him to withdraw the notice, and containing a threat to dispatch men in order to protect their property. Retaliation by Germany was also threatened by the concessionaire. Authority has been given to Resident in Gulf, if he thinks there is no objection, and if an application is addressed to him by the concessionaire and Herr Wonckhaus, to induce the Sheikh to allow the removal by them of about 500 tons of oxide, which is now lying on the beach, together with some property which has been left behind. Gun-boat will go back so as to watch further proceedings on island, where a guard has remained consisting of thirty of the Sheikh's men. We are sending by mail the papers on the subject.

[36088]

No. 144.

Sir A. Nicolson to Sir Edward Grey.—(Received October 31.)

(No. 225.)

(Telegraphic.) P.

St. Petersburg, October 31, 1907.

REFERRING to my telegram No. 221 of the 25th instant: French Financial Adviser for Persia.

M. Panafieu has been requested by M. Goubastoff to give him some details with regard to instructions with which it is intention of French Government to furnish Financial Adviser; and as to decision of Russian Government on the subject M. Goubastoff will inform me later.

[36089]

No. 145.

Sir A. Nicolson to Sir Edward Grey.—(Received October 31.)

(No. 226)

(Telegraphic.) P.

St. Petersburg, October 31, 1907.

TURCO-PERSIAN frontier: Referring to your telegram No. 273 of the 30th instant.

M. Goubastoff is quite willing to make suggestion for Consuls to assist Commission "à voix consultative" to the Sublime Porte, and if His Majesty's Government concur would take the necessary steps. If desired, he is even prepared to ask for more active participation.

[36086]

No. 146.

Mr. Marling to Sir Edward Grey.—(Received October 31.)

(No. 315.)

(Telegraphic.) P.

Tehran, October 31, 1907.

FRONTIER. News received by Persian Government that Persian Sunni tribes are attacking town of Soujboulak after plundering villages in neighbourhood. As Turkish troops are posted apparently ready, as at Serdasht, to support them, local authorities do not dare to act against them.

Situation is causing great anxiety to President of Council, who says excitement here is increasing and is spreading to Shia tribes on frontier, who will retaliate if Turks advance. Irregular warfare may break out all along the border, as Persian Government could not restrain them.

In order to check advance he begs for application of the strongest pressure at Constantinople.

The Government are only half convinced of the futility of forcible measures, the popular clamour for which they have so far resisted at my urgent insistence; but their position is very difficult, as they may be driven to some disastrous action should the aggression continue, or they may resign, in which case a weaker and less capable Cabinet would replace them.

I am assured that the Commissioners will start in two or three days by the Nasr-ul-Mulk.

[36036]

No. 147.

Mr. Marling to Sir Edward Grey.—(Received October 31.)

(No. 316.)

(Telegraphic.) P.

Tehran, October 31, 1907.

INSTRUCTIONS have been received by Ottoman Ambassador to inform Persian Government that no representations whatever have been made at Constantinople by the British and Russian Ambassadors on the subject of the Turco-Persian frontier.

[36087]

No. 148.

Mr. Marling to Sir Edward Grey.—(Received October 31.)

(No. 317.)

(Telegraphic.) P.

Tehran, October 31, 1907.

PLEASE refer to Sir A. Nicolson's telegram to you No. 223 of 28th October.

I feel sure that the President of the Council of Ministers is unaware of any recent German proposals. As regards the frontier question, Nasr-ul-Mulk was suspicious that the Turks were being egged on by some Power; when, however, I suggested Germany, he failed to see any connection with the financial question on which we had just been conversing.

Germany alone can be interested in making the Persian Government suspicious of good faith of England and Russia, and the instructions given to the Turkish Ambassador, reported in my telegram No. 316 of to-day, seem to have no other object than this.

It is admitted by President of Council that while Herr Gutmann was here there was a question of National Bank being financed by Germany, but he is not aware of any overtures since that date.

President of Assembly is certainly in frequent communication with German Legation, and Russian Minister is quite convinced they are working with him, though he gave me no proofs. On the whole I believe information to be true, as other vague evidence of a similar nature is in my possession. I am endeavouring to get more precise information.

As two members of the Ministry, in addition to President of Assembly, are distinctly Germanophil, present moment is favourable to German designs.

French Minister, Russian Minister, and myself are in agreement that to obtain signature of Financial Adviser's contract as soon as possible is best way of blocking German move. With this end in view M. de Hartwig is prepared to agree to National Bank being vaguely mentioned in contract (which hitherto he has deprecated strongly), and, in order to insure that Bank shall not be established, to rely solely on the general instructions to be issued to M. Bizot.

He is equally in agreement with me regarding the danger as well to British and Russian influence here as to Persia herself. Though we are constantly urging the Persian Government to have patience, the Turks continue to advance and the representations made at Constantinople remain fruitless. Thus it may well be that a German offer of good services made in virtue of the Treaty of 1873 might tempt Persia to acceptance.

Your telegram of yesterday No. 152.

I spoke very seriously yesterday to President of Council, and Russian Minister will urge it to-morrow, respecting necessity for sending Commissioners, which I have been steadily pressing on Persian Government.

[35352]

No. 149.

Sir Edward Grey to Sir N. O'Connor.

(No. 150.)

(Telegraphic.) P.

Foreign Office, October 31, 1907.

I AM anxious that you should send me an answer to my telegram No. 144 of the 24th instant on the subject of Turco-Persian frontier.

[36148]

No. 150.

Sir N. O'Connor to Sir Edward Grey.—(Received November 1.)

(No. 145.)

(Telegraphic.) P.

Constantinople, November 1, 1907.

TURCO-PERSIAN frontier. Your telegram of yesterday.

Reply sent in despatch No. 679 of the 30th ultimo to your telegram No. 144 of the 21th ultimo, of which the sense was as follows:—

The question has been brought back into the diplomatic channel by the appointment of a Turco-Persian Commission, and it seems to me that the *locus standi* of the mediating Powers is open to question, unless and until this Commission fails to arrive at a settlement. Meanwhile all we can do would seem to be to continue to make representations to the Ottoman Government on the lines we have followed up to now.

[36149]

No. 151.

Sir N. O'Connor to Sir Edward Grey.—(Received November 1.)

(No. 146.)

(Telegraphic.) P.

Constantinople, November 1, 1907.

TURCO-PERSIAN frontier dispute.

My Russian colleague and I much fear that the proposal, referred to in your telegram No. 273 of the 30th ultimo to Sir A. Nicolson, that the Consuls should assist

the Turco-Persian Commission would be rejected by the Porte, and I cannot but think that the effect of the more formal demands which the two Powers may have to make later for joint delimitation would be weakened. I therefore question the advisability of making the proposal.

It would, of course, be another matter were such a proposal put forward by the Porte themselves.

[36086]

No. 152.

Sir Edward Grey to Sir A. Nicolson.

(No. 279.)

(Telegraphic.) P.

Foreign Office, November 1, 1907.

REFER to Mr. Marling's telegram No. 315 of the 31st ultimo: Turco-Persian frontier.

This information should be communicated to the Russian Government by you.

Repetition should be sent to Tehran and Constantinople of all your telegrams on the subject.

[36036]

No. 153.

Sir Edward Grey to Mr. Marling.

(No. 158.)

(Telegraphic.) P.

Foreign Office, November 1, 1907.

THE false statement which the instructions of the Turkish Ambassador contain should be refuted with energy.

Reference is to your telegram No. 316 of the 31st ultimo.

[36037]

No. 154.

Sir Edward Grey to Sir N. O'Connor.

(No. 152.)

(Telegraphic.) P.

Foreign Office, November 1, 1907.

REFER to Mr. Wratislaw's telegram No. 21 of the 21st ultimo: Turco-Persian frontier.

It is not in my opinion expedient that Mr. Wratislaw should at present go to Ushu. You should send instructions to him to this effect.

[36089]

No. 155.

Sir Edward Grey to Sir N. O'Connor.

(No. 153.)

(Telegraphic.) P.

Foreign Office, November 1, 1907.

PLEASE refer to Sir A. Nicolson's telegram No. 226 of the 31st ultimo: Turco-Persian frontier.

We consider the proposal favourably; please inform us of your views.

[36259]

No. 156.

Mr. Marling to Sir Edward Grey.—(Received November 2.)

(No. 319.)

(Telegraphic.) P.

Tehran, November 2, 1907.

GOVERNMENT of India are of opinion that "Comet," after completion of quarantine, may return to Bagdad.

I entirely concur.

Reference is to my telegram No. 310 of the 28th ultimo repeating Major Cox' telegram No. 129 of the 27th ultimo.

[36148]

No. 157.

Sir Edward Grey to Sir N. O'Connor.

(No. 156.)

(Telegraphic.) P.

Foreign Office, November 2, 1907.

TURCO-PERSIAN frontier: Your telegram No. 145 of the 1st instant.

I agree, but most earnest representations should be made by your Excellency, in concert with your Russian colleague, to the Sultan.

[36087]

No. 158.

Sir Edward Grey to Sir A. Nicolson.

(No. 284.)

(Telegraphic.) P.

Foreign Office, November 2, 1907.

GERMAN proceedings in Persia (see your telegram No. 223 of the 28th ultimo).

Please ascertain what views are held by Russian Government regarding the information supplied by Mr. Marling's telegram No. 317 of the 1st instant; but you should avoid every mention of the procedure proposed in paragraph which begins with words "Russian Minister agrees" down to word "established." We do not approve of it.

[36033]

No. 159.

Sir Edward Grey to Mr. Marling.

(No. 163.)

(Telegraphic.) P.

Foreign Office, November 2, 1907.

HEARING news of an attack made on their school at Kermanshah, and of the danger in which the Jewish community stands, the "Alliance Israélite," of Paris, have urged that French Minister may be instructed to secure protection for them.

The French Minister may be making representations to Persian Government. You should consult him with a view to joining in those representations.

[36259]

No. 160.

Foreign Office to India Office.—(Received November 2.)

(Confidential.)

Sir,

Foreign Office, November 2, 1907.

WITH reference to Foreign Office letter of the 21st instant, respecting the visit of His Majesty's ship "Comet" to the Karun River, I am directed by Secretary Sir E. Grey to transmit herewith, for the information of Mr. Secretary Morley, copy of a telegram from His Majesty's Chargé d'Affaires at Tehran,* reporting that he agrees in the opinion expressed by the Government of India that that vessel may return to Bagdad after completing her quarantine.

I am to state that Sir E. Grey concurs in this view.

I am, &c.

(Signed) LOUIS MALLET.

[36295]

No. 161.

Sir N. O'Connor to Sir Edward Grey.—(Received November 3.)

(No. 147.)

(Telegraphic.) P.

Constantinople, November 3, 1907.

TURCO-PERSIAN frontier dispute.

I yesterday received the following telegram from Urmia, No. 24, dated yesterday:—

"I hear from the British Vice-Consul that there are rumours of a plan to promote a holy war against Turkey, and that the Governor-General has been trying to extract information from him as to His Majesty's Government's attitude in the event of Persia making war on Turkey.

* No. 156.

"The Russian Vice-Consul has gone to visit the districts occupied by the Turks. He hopes to see the Turkish Commissioner, but the latter still remains on the Turkish side of the frontier.

"There are indications that some at least of the Turkish troops, who appear to be suffering privations, will be withdrawn for the winter. Some Turkish soldiers visited Bend a few days ago, and appropriated, without payment, a quantity of fire-wood."

[36291]

No. 162.

Sir A. Nicolson to Sir Edward Grey.—(Received November 3.)

(No. 227.)

(Telegraphic.) P.

St. Petersburg, November 3, 1907.

REFERRING to your telegram No. 284 of the 2nd instant, and Mr. Marling's telegram No. 317 of the 31st ultimo.

The substance of the information which Mr. Marling had gathered from the President of the Council I had already communicated verbally to M. Goubastoff, but I did not mention suggestion of M. de Hartwig with regard to the National Bank being alluded to in contract, as I thought it possible that that proposal might not meet with your approval.

It might be of advantage, I told his Excellency, if some understanding were shortly arrived at with regard to French Financial Adviser's functions, and he hoped, he said, that M. Panafieu would shortly supply him with information as to instructions with which French Government would furnish M. Bizot.

I requested M. Goubastoff to let me see him as soon as he receives the information, and not to send any instructions on the subject to Tehran until I have been informed of your views, in order to avoid all confusion, and so that similar instructions may be furnished to both Representatives.

Beyond saying that information given by Mr. Marling was interesting, and thanking me for having obtained it, he made no special remarks on the subject. In reply to his inquiry whether I had received any information regarding Imperial Bank of Persia, mentioned in point 2 of my telegram No. 223 of the 28th ultimo, I presumed that there was nothing in the report as I had heard nothing on the subject.

[36292]

No. 163.

Sir A. Nicolson to Sir Edward Grey.—(Received November 3.)

(No. 228.)

(Telegraphic.) P.

St. Petersburg, November 3, 1907.

I HAVE repeated the following to Constantinople and Tehran:—

With reference to your telegrams Nos. 281 and 282 of the 2nd instant, I should be glad to be instructed as to whether you would wish me to inform the Russian Government that, owing to the reasons given by the British and Russian Ambassadors at Constantinople, the question had better be deferred as to the assistance of the Consuls at the Frontier Commission, even were they merely accorded a consultative voice.

I would explain matters to M. Goubastoff, who is still awaiting our reply.

[36293]

No. 164.

Mr. Marling to Sir Edward Grey.—(Received November 3.)

(No. 321.)

(Telegraphic.) P.

Tehran, November 3, 1907.

I WAS informed yesterday by M. de Hartwig that Naib-es-Sultaneh and Amir Bahadur Jang are organizing a conspiracy to put Shoa-es-Sultaneh on the throne, after killing the Shah. He added that he was suggesting the necessity for taking measures to insure safety of Shah by telegraph to his Government.

Plot appears very improbable in view of worthless character of Shoa-es-Sultaneh, and fact that Valiabdi is Naib-es-Sultaneh's grandson.

No direct evidence in confirmation obtainable. It is true that Court functionaries and most of his servants have abandoned Shah, and assassination would not be difficult. There have, however, been no occurrences recently of a nature to embitter

public feeling against His Majesty in particular. Among ignorant and dangerous classes there is perhaps rather more effervescence than usual, though not more than might be anticipated in Ramazan, and two threatening sermons have been preached.

Following is very confidential:—

Though nothing could be more calculated to endanger Shah, I cannot help thinking that Russian Minister is still pursuing idea of intervention. Please refer to my telegram No. 300 of the 21st ultimo.

[36325]

No. 165.

Sir N. O'Connor to Sir Edward Grey.—(Received November 4.)

(No. 679.)

Sir,

Therapia, October 30, 1907.

WITH reference to your telegram No. 144 of the 24th instant, inquiring what course I would now suggest to secure the withdrawal of Turkish troops from Persian territory, I have the honour to state that a similar question has been addressed to my Russian colleague by his Government.

The appointment of a Turco-Persian Commission, although the Persian Commissioner has so long delayed his departure for the frontier, has brought the question back into the diplomatic channel, and I do not see that in the meantime it is possible for us to take any fresh action in the matter, a view which is shared by the Russian Ambassador.

I have, &c.
(Signed) N. R. O'CONOR.

[36516]

No. 166.

India Office to Foreign Office.—(Received November 4.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 2nd instant, relative to the Abu Musa Red Oxide Concession.

India Office, November 4, 1907.

Inclosure in No. 166.

Government of India to Mr. Morley.

(Telegraphic.) P.

November 2, 1907.

POLITICAL Assistant, Bunder Abbas, telegraphs on the 28th October as follows regarding situation on Abu Musa:—

“Report has reached me from Lingah that Herr Wonekhaus' local representative, Mr. Brown, sailed on the 22nd ultimo for the island, accompanied by Abdullah-bin-Hassan and some twenty-six men. Mr. Brown took with him a German flag to place upon the accumulations of oxide. On the 25th ultimo the party returned to Lingah, having been refused permission to land by the Sheikh's guard, who behaved with resolution. Mr. Brown now proposes to represent his case to the German Government, and is going to Bushire for that purpose.”

[36294]

No. 164*.

Mr. Marling to Sir Edward Grey.—(Received November 3.)

(No. 322.)

(Telegraphic.) P.

Tehran, November 3, 1907.

FRENCH Financial Adviser: my telegram No. 317 of the 31st ultimo.

Obstacles encountered by French Minister in arriving at agreement regarding M. Bizot's contract would be explained by information given me by Russian Minister, to the effect that Herr Jung, an agent of Mendelssohn's Bank, is on his way to Tehran.

Presence of Jung and Richthofen, who is returning to Tehran immediately to replace German Minister, will create serious complications, and French Minister accordingly urges me to bring the strongest pressure on the Persian Government to settle the question before their arrival; he himself is unwilling at this conjuncture to take strong action, which would have the appearance of opposition to Germany in a matter in which France has no material interest.

M. de La Martinière points out that for following reasons appointment of French Adviser is of first importance to Russia and ourselves:—

1. Should Germans eventually finance National Bank it would largely nullify German influence.

2. It would give us accurate knowledge of Persian finance, and practically joint control over it.

3. It would, in point of fact, be a natural complement of our recent Agreement.

There still exists the danger that, after all, the Persian Government may decline M. Bizot's services and place themselves in the hands of Germany. Should this in reality occur, it would be to the serious prejudice of many of our interests, *e.g.*, renewal of Telegraph Concessions.

I have yielded to request of French Minister.

Both M. de Hartwig and he take a serious view of situation, being much perturbed at German activity.

As regards wording of contract, French Minister is prepared to make a trivial concession, *i.e.*, he agrees to allude to establishment of the National Bank, instead of making mere mention of it. Though there is no alteration in sense of contract, he believes some Persian objectors will be satisfied by addition of word “establishment.”

[36525]

No. 167.

Sir N. O'Connor to Sir Edward Grey.—(Received November 4.)

(No. 148.)

(Telegraphic.) P.

Constantinople, November 4, 1907.

TURCO-PERSIAN frontier dispute.

I have to-day received the following telegram, No. 25, dated the 31st ultimo, from Urmia :—

“In the records of the American Mission here I have found Reports dated 1838, 1841, 1846, and 1849, to the United States' Missionary Board, furnishing information which seems to be valuable on account of its age and the obvious impartiality of the Americans. The Reports clearly state the Persian ownership of Baradost, Tergavar, and Mergavar, and the position of the frontier. Shall I be justified in acquainting the Persian Commission with this?

“An incident occurred here yesterday which caused some excitement, and which, if repeated, might lead to trouble. Five armed soldiers, under a Turkish Lieutenant, arrived unexpectedly with a tent and baggage, and informed the Turkish Consular Agent that they came from Lahigjian and were proceeding to join the Erzeroum Army Corps. The Consular Agent at once sent them on towards Tergavar.”

[36519]

No. 168.

Sir A. Nicolson to Sir Edward Grey.—(Received November 4.)

(No. 229.)

(Telegraphic.) P.

St. Petersburg, November 4, 1907.

WITH reference to Mr. Marling's telegram No. 322 of yesterday's date, as the Russian Government are anxious lest Germany should acquire an influence over Persian finances, I think I could obtain their consent to the terms of the French contract even with the insertion of the establishment of the National Bank. Would you wish me to press the Russian Government to consent to these terms in view of the approaching arrival of a German Financial Agent at Tehran?

The above has been repeated to Mr. Marling.

[36530]

No. 169.

Sir A. Nicolson to Sir Edward Grey.—(Received November 4.)

(No. 230.)

(Telegraphic.) P.

St. Petersburg, November 4, 1907.

I HAD a visit from M. Goubastoff to-day. He came to tell me that he had asked the Minister of Finance to open at once to the Russian Minister at Tehran a credit of 60,000 to 100,000 tomans, with power to go up to 150,000 tomans. His reason for this was the very serious financial straits in which the Shah was at present; his personal guards were threatening to desert, as he was unable to pay them. In the bazaar his attempts at raising money had proved unsuccessful. His Excellency said that the Russian Government felt bound to assist the Shah, and could not leave him exposed to possible personal danger.

I thanked M. Goubastoff for informing me of the above, and have repeated this telegram to Tehran.

[36531]

No. 170.

Sir A. Nicolson to Sir Edward Grey.—(Received November 4.)

(No. 231.)

(Telegraphic.) P.

St. Petersburg, November 4, 1907.

I SHOULD add, with reference to my immediately preceding telegram, that M. Goubastoff intimated that, in view of the condition in Persia, Russian Government would probably be obliged, as a matter of precaution, to move some troops to the frontier. Upon his referring to the salutary effect produced by the presence of the

"Comet," I mentioned that though no special anti-foreign feeling existed at present, it might still develop, and I told him that I believed that the "Comet" had as her object the protection against the tribes of some agents of a British Oil Syndicate. It was at present at Mohammerah, being unable to proceed up the river to Ahwaz. I have informed His Majesty's Chargé d'Affaires at Tehran of the above.

[36520]

No. 171.

Mr. Marling to Sir Edward Grey.—(Received November 4.)

(No. 323.)

(Telegraphic.) P.

Tehran, November 4, 1907.

ANGLO-RUSSIAN Agreement.

Please refer to Sir C. Spring-Rice's despatch No. 215 of the 24th September.

Following is substance of reply just received from Persian Government to Sir C. Spring-Rice's note of the 27th September:—

Only Contracting Powers are concerned by Agreement. Persia, in view of her absolute independence, does not regard herself as affected by any sort of Agreement arrived at regarding her between two or more foreign Powers. In accordance with Treaties and principle of "open door," Persia will strive to improve her friendly relations with foreign Powers. Persia will carry out her obligations scrupulously as regards loans, and a copy of this note will be communicated to the Representatives of friendly Powers by the Persian Government.

[36527]

No. 172.

Mr. Marling to Sir Edward Grey.—(Received November 4.)

(No. 324.)

(Telegraphic.) P.

Tehran, November 4, 1907.

INSTRUCTIONS received by Turkish Ambassador have not been carried out (see your telegram No. 158 of the 1st instant).

Note of spontaneous thanks for help given by His Majesty's Government has been received from Persian Government.

[36528]

No. 173.

Mr. Marling to Sir Edward Grey.—(Received November 4.)

(No. 325.)

(Telegraphic.) P.

Tehran, November 4, 1907.

MINISTER for Foreign Affairs says that Turco-Persian Frontier Commission is pure waste of time, and that futility of Joint Commission, unless Consuls are admitted to meetings, is absolutely proved by experience of Ehtesham-es-Sultaneh on late Commission. His Excellency earnestly hopes that authorization may be given to the Ambassadors to press acceptance of Consuls on Sublime Porte.

So far I have not told him that this course is not favourably viewed by His Majesty's Government.

This morning Persian Commissioner left.

[36529]

No. 174.

Mr. Marling to Sir Edward Grey.—(Received November 4.)

(No. 326.)

(Telegraphic.) P.

Tehran, November 4, 1907.

PLEASE refer to my telegram No. 321 of yesterday.

It can hardly be doubted that the Shah's intrigues and efforts to foment disorders are the causes of a movement for His Majesty's deposition, which is gaining ground and may become serious. A largish party, headed by a certain preacher, who want to place Zil-es-Sultan on the throne, are against His Majesty, who is publicly supported by another prominent preacher and secretly (I have reason to believe) by certain Russian Agents.

The Majlis, in concert with Government, is doing its best to maintain order, and is associated with neither of the two factions, whom they succeeded in preventing last night from coming to blows. In belief of Minister for Foreign Affairs, though cry for deposition will revive later, things will calm down in one or two days.

It is believed that Shah is endeavouring to precipitate intervention by Russia.

[36294]

No. 175.

Sir Edward Grey to Sir A. Nicolson.

(No. 286.)

(Telegraphic.) P.

Foreign Office, November 4, 1907.

THE Russian Government should be informed of the substance of Mr. Marling's telegram No. 322 of the 3rd instant, and you should state that the view which he expresses, namely, that the conclusion of French adviser's contract is of great importance, is shared by me.

Having pointed out that, even were the National Bank founded, the influence of French adviser is that under which it would be least harmful. You should urge the Russian Government to agree without delay to conclusion of contract, even if, in accordance with suggestion of French Minister, a mention were made of establishment of National Bank.

Unless establishment of National Bank under proper conditions were contemplated, it would be unfair to press Persian Government for conclusion of contract, and for the reason given above the Russian Government will, I hope, see that this course is the best. It is of the greatest importance that not only our Representative, but also Russian Minister at Tehran, should make use of all his influence actively.

[36149]

No. 176.

Sir Edward Grey to Sir A. Nicolson.

(No. 287.)

(Telegraphic.) P.

Foreign Office, November 4, 1907.

PLEASE refer to Sir N. O'Connor's telegram No. 116 of the 1st instant, and your telegram No. 228 of the 3rd instant: Turco-Persian frontier.

We doubt whether it is wise to press the proposal that the Commission should receive assistance of Consuls, considering that the opinion of both Ambassadors at Constantinople is adverse.

[35492]

No. 177.

Sir Edward Grey to Mr. Marling.

(No. 188.)

Sir,

Foreign Office, November 4, 1907.

I HAVE received your despatch No. 224 of the 9th ultimo relative to the renewed attempt of the Heshmet-ul-Mulk to return to Seistan as joint Governor of that province and the district of Kain.

I concur in the view that his return is most undesirable, and I approve the action taken by you to prevent it.

I am, &c.
(Signed) E. GREY.

[36627]

No. 178.

Mr. Marling to Sir Edward Grey.—(Received November 5.)

(No. 327.)

(Telegraphic.) P.

Tehran, November 5, 1907.

SITUATION at Shiraz has for some days past been disquieting; in and about the town are a considerable number of Kashgai tribesmen, and there has been frequent

shooting. I have now received the following telegram from His Majesty's Consul, dated the 3rd instant:—

"Situation in Shiraz.

"I am informed by a German subject that he was attacked on the high road, within a mile of Shiraz, this morning, and literally stripped by four armed men, though himself armed, mounted, and accompanied by a servant. German Minister has been informed of details by telegraph.

"There has been a vague feeling for some days that no attention will be paid to situation here unless Europeans suffer. Local authorities are, in my opinion, totally unable to give protection to Europeans in Shiraz. I venture to urge advisability of immediately dispatching as many sowars as can be spared from Bushire to Shiraz. Reliefs for Shiraz, due at Bushire the 6th November, should follow at earliest possible date."

Power of Persian Government to take effective measures is doubtful, but I have made urgent representations to the Minister for Foreign Affairs. Arrival of reliefs would bring up escort to twelve men, and I would accordingly suggest detaining relieved guard until situation is calmer.

In the event of state of affairs becoming more menacing, instructions might be sent to Consul-General at Bushire to hold in readiness twenty-five or thirty of his native Indian infantry for dispatch to Shiraz, which they would reach in six days.

All over the country unrest is increasing. Serious excesses are being committed by Persian Turcomans near Astrabad, and Government has been powerless.

[36624] No. 179.

Mr. Marling to Sir Edward Grey.—(Received November 5.)

(No. 329.)
(Telegraphic.) P.

Tehran, November 5, 1907.

TURCO-PERSIAN Frontier Commission.

May I urge, with reference to my telegram No. 325 of the 4th November, and to your telegram No. 277 to Sir A. Nicolson of the same date, that it will make it more difficult for Germany to offer her services if the Consuls assist officially, if only "à voix consultative."

The Russian Minister is telegraphing to St. Petersburg in the same sense, as he shares this view.

[36531] No. 180.

Sir Edward Grey to Sir A. Nicolson.

(No. 295.)
(Telegraphic.) P.

Foreign Office, November 5, 1907.

SITUATION in Persia.

The withdrawal of the "Comet" has taken place.

[36680] No. 181.

Sir Edward Grey to Sir A. Nicolson.

(No. 296.)
(Telegraphic.) P.

Foreign Office, November 5, 1907.

REPORTED amalgamation of Imperial and National Banks.

Please refer to your telegrams No. 223 of the 28th ultimo and No. 227 of the 3rd instant.

Nothing is known by Directors of Imperial Bank of any negotiations the object of which is amalgamation of interests of National and Imperial Banks.

[36525]

No. 182.

Sir Edward Grey to Sir N. O'Connor.

(No. 164.)

(Telegraphic.) P.

Foreign Office, November 5, 1907.

TURCO-PERSIAN frontier: Please refer to Mr. Wratislaw's telegram No. 25.

Accurate copies of documents referred to should be sent home by Mr. Wratislaw; you should instruct him to do so, but Persian and Turkish Commissioners should receive no mention of information from him.

[36295]

No. 183.

Sir Edward Grey to Mr. Marling.

(No. 167.)

(Telegraphic.) P.

Foreign Office, November 5, 1907.

PLEASE refer to Mr. Wratislaw's telegram No. 24: Turco-Persian frontier.

Instructions should be sent to Vice-Consul at Tabreez that all his influence should be exerted with the Governor-General in the interests of peace. He should point out the results which a war with Turkey must inevitably produce, and that Persia is under an obligation to wait until the inquiries of the Turco-Persian Commission have produced results.

You should speak to the Minister for Foreign Affairs in similar language. Repetitions should be sent to St. Petersburg and Constantinople of all your telegrams dealing with this subject.

[36627]

No. 184.

Foreign Office to India Office.

(Confidential.)

Sir,

Foreign Office, November 5, 1907.

I AM directed by Secretary Sir E. Grey to transmit to you herewith, to be laid before Mr. Secretary Morley, copy of a telegram from His Majesty's Chargé d'Affaires at Tehran,* relative to the serious situation reported by His Majesty's Consul at Shiraz to exist at that place.

Sir E. Grey concurs in Mr. Marling's suggestion that the present escort should remain at Shiraz after the arrival of the expected reliefs, until the situation has improved, and I am to suggest that, should Mr. Morley see no objection, immediate instructions may be sent to the Government of India in this sense.

The proposal that His Majesty's Consul-General at Bushire should be instructed to hold twenty-five or thirty sowars in readiness to start for Shiraz if the situation becomes more threatening, does not recommend itself to Sir E. Grey. The question of dispatching a force inland would have to be most carefully considered in all its aspects, and the number suggested by Mr. Marling would appear inadequate. Sir E. Grey would be glad of Mr. Morley's observations in regard to this point.

I am, &c.

(Signed) LOUIS MAILLET.

[36697]

No. 185.

Sir A. Nicolson to Sir Edward Grey.—(Received November 6.)

(No. 232.)

(Telegraphic.) P.

St. Petersburg, November 6, 1907.

I HAVE repeated the following to Tehran and Constantinople:—

With reference to Mr. Marling's telegram No. 325 of the 5th instant, until I hear further from you I will abstain, as I have done hitherto, from informing the

[1519]

* No. 178.

Russian Government that, in consideration of the views expressed by the British and Russian Ambassadors at Constantinople, His Majesty's Government are of the opinion that it would be advisable that the Porte should not be pressed to consent to the proposal that the Consuls should assist at the meetings of the Frontier Commission.

[36710]

No. 186.

Sir A. Nicolson to Sir Edward Grey.—(Received November 6.)

(No. 233.)

(Telegraphic.) P.

St. Petersburg, November 6, 1907.

THE following is confidential:—

To-day I spoke to M. Goubastoff with regard to projected movements towards Persian frontier of Russian troops, and such movements would, I hinted, in present explosive condition of Persian feeling, be misinterpreted and exaggerated at Tehran, and the Shah might thereby be put in a position, if not of danger, of extreme difficulty. To-day, he said, he was submitting to the Emperor the draft of a telegram to M. de Hartwig asking his opinion and advice on this matter.

My remarks will, I think, be considered by M. Goubastoff. At present, I added, both of us must act with extreme prudence, and the fact that we were both cordially working together was of immense advantage. To this he heartily agreed.

[36711]

No. 187.

Sir A. Nicolson to Sir Edward Grey.—(Received November 6.)

(No. 234.)

(Telegraphic.) P.

St. Petersburg, November 6, 1907.

REFERRING to your telegram No. 286 of the 4th November.

Financial adviser in Persia.

M. Goubastoff agrees to send instructions to M. de Hartwig to expedite the nomination of M. Bizot as much as possible, and that, as regards mention of National Bank being inserted in contract, no difficulties should be made.

[36693]

No. 188.

Mr. Marling to Sir Edward Grey.—(Received November 6.)

(No. 330.)

(Telegraphic.) P.

Tehran, November 6, 1907.

TURCO-PERSIAN frontier.

I am assured by the Minister for Foreign Affairs that all idea of forcible measures has been definitely abandoned.

I have, however, instructed Stevens, in accordance with your telegram No. 167 of the 5th November, making special mention of the necessity of keeping the tribes quiet.

[36696]

No. 189.

Mr. Marling to Sir Edward Grey.—(Received November 6.)

(No. 331.)

(Telegraphic.) P.

Tehran, November 6, 1907.

I AM informed by the Minister of Foreign Affairs that he knew nothing of Jung's visit to Tehran. He also denies all knowledge of German offer to assist in foundation of National Bank.

[36694]

No. 190.

Mr. Marling to Sir Edward Grey.—(Received November 6.)

(No. 332.)

(Telegraphic.) P.

Tehran, November 6, 1907.

PLEASE see Sir A. Nicolson's telegram to you of the 4th instant, No. 231.

Districts near Abbasabad, on Meshed-Tehran road, between Miandesht and Mazuian, have been pillaged by Persian Turcomans. In addition to cattle and loot they carried off fifty women and children from Ma'den-i-Mis, and killed ten people. It is reported that they have gone from there to Jovian, 35 miles west of Sabzewar, and carried off much money, killing sixty and wounding forty persons.

English telegraph clerk at Meshed supplied above information. I have asked His Majesty's Consul-General to report by telegraph, as I have no news from him.

At Astrabad state of affairs is very bad. As Persian Government is unable to find anyone to accept post and endeavour to restore order, for more than six months there has been no Governor there. M. de Hartwig hints that Russian Government may be compelled to bring troops across the frontier to protect their subjects, who are numerous in these districts.

[36627]

No. 191.

Sir Edward Grey to Mr. Marling.

(No. 169.)

(Telegraphic.) P.

Foreign Office, November 6, 1907.

SITUATION at Shiraz: Your telegram No. 327 of the 5th instant.

The India Office and I are in communication. You should, if it seems to you necessary, repeat to British subjects a warning to leave for ports in case situation grows menacing, and supposing this course is practicable.

That so small a body of native infantry should be sent from Bushire to Shiraz is out of the question.

[35496]

No. 192.

Sir Edward Grey to Mr. Marling.

(No. 189.)

Sir,

Foreign Office, November 6, 1907.

I HAVE received your despatch No. 228 of the 10th October relative to the Dizful-Khoreinabad trade route.

I concur in your opinion that the present moment is inopportune for pressing the fulfilment of Concessions held by foreigners.

You should, therefore, take no further action in the matter for the present.

I am, &c.

(Signed) E. GREY.

[35496]

No. 193.

Foreign Office to Persian Transport Company.

Sir,

Foreign Office, November 6, 1907.

A COPY of your letter of the 18th June, relative to the Dizful-Khoreinabad trade route, was forwarded to His Majesty's Legation at Tehran, and I am directed by Secretary Sir E. Grey to inform you that a further despatch on the subject has been received from His Majesty's Chargé d'Affaires at that place.

Mr. Marling, while of opinion that the opening up of this route as an artery of trade is highly desirable, considers that the present moment is most inopportune for pressing the fulfilment of Concessions held by foreigners. The National Assembly, whose position and influence in the country recent events have greatly strengthened, is notoriously hostile to the extension of foreign enterprise and the accumulation of foreign interests in Persia. The Government has not the means at its disposal, even had it the will, to establish order amongst the lawless tribes through whose country the

road in question would pass. In these circumstances he fears that mere diplomatic pressure, however vigorously applied by His Majesty's Legation, would be unequal to overcoming the apathy of the Government, still less to translating it into effective action in opposition to the recently awakened national sentiments of the Popular party.

In view of the opinion expressed by Mr. Marling, Sir E. Grey is instructing him to take no further action in the matter for the present.

I am at the same time to assure you that, should questions be raised in the Assembly—a contingency which appears not unlikely to Mr. Marling—as to the failure of your Company to exploit the Concession, and their reluctance to share it with any one else, every effort will be made by His Majesty's Legation to combat such hostile comment.

I am, &c.
(Signed) LOUIS MALLET.

[36758]

No. 194.

India Office to Foreign Office:—(Received November 7.)

Sir,

India Office, November 6, 1907.

IN reply to your letter of the 2nd instant I am directed by Mr. Secretary Morley to inclose copy of a telegram from the Government of India, dated the 1st instant, referred to in Mr. Morley's telegram of the 2nd instant, and to state, for the information of the Secretary of State for Foreign Affairs, that the Government of India have been requested to give instructions for the return of the "Comet" to Bagdad on completion of her period of quarantine.

I am, &c.
(Signed) COLIN G. CAMPBELL

Inclosure in No. 194.

Government of India to Mr. Morley.

(Telegraphic.) P.

India Office, November 1, 1907.

MY telegram of the 12th ultimo: "Comet."

Following message, dated the 27th ultimo, has been received from the Assistant Resident, Bushire:

"Consul, Ahwaz, telegraphs as follows:—

"Owing to shallowness of river, the "Comet" is unable to come within 4 miles of Ahwaz. A case of small-pox has occurred on board. There being no quarantine station at Ahwaz, and no means of dealing with the case here, I have instructed the "Comet" to go to Mohammurah to place the man in quarantine there, and to await orders from you. If my opinion is required, I should say that the "Comet" is quite powerless to have effect on the Bakhtiari question, and her presence at Ahwaz is useless. In this opinion the oil manager concurs."

"What are your orders for 'Comet'? The Resident is not in reach of telegraph."

In the circumstances it is our opinion that, on completion of period of quarantine, it might be as well that the "Comet" should return to Bagdad.

[36833]

No. 195.

India Office to Foreign Office:—(Received November 7.)

Sir,

India Office, November 7, 1907.

IN reply to your letter of the 5th instant, as to the situation at Shiraz, I am directed by Mr. Secretary Morley to inclose, for the information of the Secretary of State for Foreign Affairs, copy of a telegram which has been sent instructing the Government of India to arrange that the present escort should remain at Shiraz after the arrival of the expected reliefs, until the situation has improved.

As regards Mr. Marling's proposal that 25 or 30 of the Bushire guard should be held in readiness to leave for Shiraz, Mr. Morley agrees with Sir E. Grey that the dispatch of so small a force would be useless. The objections to the employment of small detachments were stated in the telegram from the Government of India of the 17th January, inclosed with my letter of the 23rd January; and it was laid down in Sir E. Grey's telegram to His Majesty's Minister at Tehran of the 12th February, No. 18, that action, if necessary for the protection of foreigners, must be confined for physical reasons to the ports. Mr. Morley, on the information before him, sees no reason why this policy should be modified.

I am, &c.
(Signed) A. GODLEY.

Inclosure in No. 195.

Mr. Morley to Government of India.

(Telegraphic.) P.

India Office, November 6, 1907.

HAVING regard to situation at Shiraz, as reported in telegram from His Majesty's Chargé d'Affaires, Tehran, of the 5th November, His Majesty's Government accept the proposal that the present escort should stay on after the expected reliefs arrive, until there is an improvement in the situation. Instructions to this effect should be issued accordingly.

Chargé d'Affaires has been told, in reply to his proposal for sending a small force from Bushire, that there can be no question of dispatching so small a body, and has been instructed, if necessary, to repeat warning to British subjects that, if practicable, they should proceed to ports.

Do you see any reason to modify view that, should force become absolutely necessary for protection of foreigners, our action must, for physical reasons, be confined to ports? See your telegram of the 17th January last, and mine of the 9th February and the 18th February.

[36777]

No. 196.

Treasury to Foreign Office:—(Received November 7.)

Sir,

Treasury Chambers, November 6, 1907.

IN view of the further explanations given in Mr. Mallet's letter of the 30th ultimo, I am directed by the Lords Commissioners of His Majesty's Treasury to request you to inform Secretary Sir E. Grey that if the additional guards at Ispahan are required solely for the protection of the Consulate and the Consular staff my Lords are prepared to accept the charge to Imperial funds of one-half of the additional expenditure, namely, 268*l.* initial and 580*l.* per annum recurrent. But my Lords see no reason why any responsibility should be undertaken for the protection of any other persons.

The increased guard at Ahwaz appears from the inclosures to Mr. Mallet's letter to be required mainly for the protection of the employés of the Oil Syndicate; and my Lords are unable to see any sufficient reason for imposing a charge of 1,920*l.* per annum on the public funds of this country for such a purpose.

I am, &c.
(Signed) G. H. MURRAY.

[36821]

No. 197.

Mr. Marling to Sir Edward Grey:—(Received November 7.)

(No. 333.)

(Telegraphic.) P.

Tehran, November 7, 1907.

SIR A. NICOLSCN'S telegram No. 230 of the 4th November, and my telegram No. 326 of the same date.

(Secret.)

Last night I was informed by the Prime Minister that there are incontrovertible proofs that the Shah is trying to create disorders in Tehran; the Russian colonel of the Cossack brigade, for instance, who admitted that he acted on the orders of the

Shah, refused to obey the orders of the Government to send 200 men to police barracks near the Bazaar, to be in readiness in case of need, when riots threatened on the night of the 4th instant. The Chief of Police, in the Shah's pay, tried to foment riot.

Matters may calm down if the end of Ramazan, two days hence, is reached without trouble, and the Government believe that for the moment they have the situation in hand.

Chapchal, who is constantly with the Shah, is chief instigator. Prime Minister has more than suspicion that the Shah is receiving money from Russian sources, and he assures me that the Shah's life would be in serious danger if the people of Tehran became aware of it.

I do not think this is exaggerated. It is the knowledge of his intrigues, and a vague suspicion of the source whence he draws money, that has produced clamour for his deposition.

He has evidently received assurances of Russian support; but money alone is worse than useless, unless he can count on the Persian Cossack Brigade, which is doubtful.

I have not again spoken to M. de Hartwig.

In view of our recent Agreement, I presume that the Russian Government would not send troops to Shah's assistance.

Any money given to the Shah by Russia will be, and probably has been, utilized by him for the purposes of agitation all over the country.

[36822]

No. 198.

Mr. Marling to Sir Edward Grey.—(Received November 7.)

(No. 334.)

(Telegraphic.) P.

Tehran, November 7, 1907.

THE telegraph wire between Bushire and Shiraz has been cut.

The telegraph wire to Meshed has also been cut (see my telegram No. 332 of the 6th instant).

[36826]

No. 199.

Mr. Marling to Sir Edward Grey.—(Received November 7.)

(No. 335.)

(Telegraphic.) P.

Tehran, November 7, 1907.

THE German Minister has told the Imperial Bank of Persia that Herr Jung, referred to in my telegram No. 322 of the 3rd November, has no political mission, and has obtained for him recommendations to the bank's branches at Meshed, Yezd, and Kerman. It seems doubtful whether he is an agent of Mendelssohn. The Persian Government deny all knowledge of him.

He is Commercial Attaché at Constantinople, and has come to make an extended tour in Persia; but the German Minister has requested him to come first to Tehran, in view of the disturbed condition of the country.

[36837]

No. 200.

Mr. Marling to Sir Edward Grey.—(Received November 7.)

(No. 336.)

(Telegraphic.) P.

Tehran, November 7, 1907.

SHIRAZ disturbances.

I will repeat warning, as directed in your telegram No. 169 of 6th November, but people will not leave merely at threat of danger, and when the outbreak occurred the roads would be closed, and I therefore fear warning will be without effect.

The danger may be over. Shiraz situation is calmer.

Infantry with mules could travel as safely and rapidly as sowars.

[36838]

No. 201.

Mr. Marling to Sir Edward Grey.—(Received November 7.)

(No. 337.)

(Telegraphic.) P.

Tehran, November 7, 1907.

FROM the same source as that mentioned in my telegram No. 332 of the 6th instant I learn that the Turcomans again moved north to Bujnurd, and have since disappeared after being defeated by inhabitants. I have no news from His Majesty's Consul-General at Meshed, though telegraph is again working.

[36697]

No. 202.

Sir Edward Grey to Sir A. Nicolson.

(No. 299.)

(Telegraphic.) P.

Foreign Office, November 7, 1907.

YOUR telegram No. 232 of the 6th instant and Sir N. O'Connor's telegram No. 146 of the 1st instant respecting Turco-Persian frontier dispute.

We think that view of Ambassadors at Constantinople, as set forth in Sir N. O'Connor's telegram, carries weight.

Pray inform Government to which you are accredited, and inquire whether this view is shared by them.

[36694]

No. 203.

Sir Edward Grey to Mr. Marling.

(No. 171.)

(Telegraphic.) P.

Foreign Office, November 7, 1907.

SITUATION in Persia.

Your telegram No. 332 of yesterday received.

You should urge Government to which you are accredited to take the necessary measures to restore order in Persia, adding that His Majesty's Government have received information of the increased disorder in Persia, especially on the Meshed-Tehran road and around Asterabad and Shiraz, with great concern.

Should injury be done to British subjects or property they will hold Persian Government responsible.

[36758]

No. 204.

Sir Edward Grey to Mr. Marling.

(No. 172.)

(Telegraphic.) P.

Foreign Office, November 7, 1907.

MOVEMENTS of "Comet."

I have received your telegram No. 319 of the 2nd instant.

Orders have been issued to "Comet" that when period of quarantine is finished she is to return to Bagdad.

[36833]

No. 205.

Sir Edward Grey to Mr. Marling.

(No. 173.)

(Telegraphic.) P.

Foreign Office, November 7, 1907.

PLEASE refer to my telegram No. 169 of the 6th instant.

Instructions have been sent to Government of India to arrange that the present escort shall not leave Shiraz after the reliefs have arrived, until there is some improvement in the situation.

[36823]

No. 206.

Memorandum respecting the Maps, prepared in 1907, of the Turco-Persian Frontier.

(Confidential.)

EACH set of these maps consists of eleven sheets inclosed in two separate cases.

(a.) Twenty sets, with the limits of the frontier zone, as laid down by Colonels Williams and Tchirikoff in 1852, and placed on record in the Anglo-Russian "Identical" Map finished in 1869, shown by green lines. The frontier *status quo* of 1904 is approximately shown by a dotted chain line in black. The frontier, proposed by the mediating Commissioners, from the Persian Gulf to Hawizeh, is shown by a red line. These twenty sets are in maroon cases, and have been distributed as follows:—

One copy to the Secretary of State, the Permanent Under-Secretary, the Parliamentary Under-Secretary, His Majesty's Consular officers at Van, Mosul, Bagdad, Tabreez, Mr. Wratishaw (Urumia), and His Majesty's Embassy at St. Petersburg; two copies to His Majesty's Embassy at Constantinople, and two copies to His Majesty's Legation at Tehran; four copies to the India Office; one copy to Mr. Mallet; two copies to the Foreign Office Library.

(b.) Sets 21 to 25 inclusive. These sets are similar to the above, except that the frontier proposed in the Province of Zohab is also shown by a red line, and the frontier of Kotur, as laid down in July 1880 (see "Original Treaties," Turkey, No. 44), is indicated by a red line. These sets are in solid leather cases with saddle straps attached, and can be used if an Anglo-Russian Commission is again appointed. Four of these sets are kept in the Library; one is in the Eastern Department.

(c.) Sets 26 to 30 inclusive. These are similar to set (a), except that the red line from the Gulf to Hawizeh and the dotted chain line are omitted. These sets are in green cases, and could be used by the Persian and Turkish Delegates if a Commission is appointed. As in 1877, they could be asked to trace a frontier within the zone. The additional lines contained in set (b) are only inserted for the use of mediating Commissioners, and should not be shown to the Persian and Turkish Commissioners before they have submitted their rival claims. These five sets are kept in the Library.

All these maps are confidential, and it would be necessary to secure the consent of the War Office before utilizing them as proposed.

Foreign Office,
November 7, 1907.

A. P.

[36940]

No. 207.

Mr. Marling to Sir Edward Grey.—(Received November 8.)

(No. 338.)

(Telegraphic.) P.

Tehran, November 8, 1907.

MY immediately preceding telegram.

Acting Consul-General at Meshed telegraphs as follows to-day:—

“(No. 62.)

“Shafabad, in Jovian, was first place where Turkomans from the Atrek appeared; their casualties were 40, and they killed 83 men. Next move was attack on copper mine in neighbourhood of Miandasht, where they captured 50 women and many sheep, and killed 7 men. They then scattered and attacked following places, all near Meshed-Tehran road: Abbasabad, Darageg, Faramin, Mazinan, Miandasht, and Nardin. There were 1,000 Turkomans or more in all. They are now holding up Meshed-Tehran road, being encamped in tents with standards at places above-mentioned. Complete suspension of traffic. Raiding is also taking place in Buynurd. There are no sowars here forthcoming, but two guns from here and 500 infantry from Turbat-i-Haidari ordered to Sabzewar; no rifles sent, but ammunition also dispatched.”

[34867]

No. 208.

Foreign Office to India Office.

(Confidential.)

Sir,

Foreign Office, November 9, 1907.

I AM directed by Secretary Sir E. Grey to transmit herewith, to be laid before Mr. Secretary Morley, copy of a letter from Messrs. Ellinger and Co. relative to their proposal to form a Company for the exploitation of the deposits of red oxide of iron in the Island of Ormuz.*

It will be seen that, in order to insure the subscription of the necessary capital, the firm desire to obtain certain assurances from His Majesty's Government, having regard to the attempts which a German firm is known to be making to get control of the red oxide trade, and in view of the paramount importance of counteracting the great efforts now being made by Germany to obtain a commercial footing in the Persian Gulf, Sir E. Grey considers that every encouragement should be given to British enterprises of this description, and that Messrs. Ellinger's request should, as far as is possible, be complied with.

With regard to the first of the proposed assurances, it does not appear possible to give an absolute assurance that the Concession obtained by the Moin-ut-Tujar from the Persian Government is valid, but he would be prepared to say that, so far as his information goes, the facts are as stated in Mr. Marling's telegram No. 308 of the 26th ultimo, copy of which is inclosed.†

There seems to be no objection to Nos. 2 and 3, but Sir E. Grey, after consulting Sir C. Spring-Rice, would not be disposed to give assurances 4 and 5 in their present form.

With regard to No. 4, he considers that the special duties of communicating with the debenture holders in regard to matters affecting their interests would be more suitably confided to a special agent. He would, however, be prepared to sanction the employment in this capacity of Abbas Khuli Khan, Assistant Oriental Secretary to His Majesty's Legation, for which he might receive an allowance from the Company.

With regard to No. 5, he does not consider that the suggested duties are such as could properly be undertaken by His Majesty's Consul at Bunder Abbas. Compliance with this suggestion would, moreover, create an awkward precedent, as it would be difficult to refuse similar requests for assistance, which might be made by other firms. He thinks, therefore, that the Company should have their own agent at Bunder Abbas.

Sir E. Grey would be glad to be furnished with Mr. Morley's observations on the above proposals.

The favour of an early reply is requested.

I am, &c.
(Signed) LOUIS MALLET.

[37105]

No. 209.

Sir A. Nicolson to Sir Edward Grey.—(Received November 11.)

(No. 544.)

Sir,

St. Petersburg, October 28, 1907.

M. GOUBASTOFF handed me to-day two Memoranda, copies of which I have the honour to inclose, giving two items of information which he had received from Tehran, but whose authenticity he did not wish to guarantee.

I thanked M. Goubastoff for his courtesy in making these communications, and said that I had doubts whether the Imperial Bank of Persia was contemplating a fusion with the projected National Bank, but that I would inquire.

As to the alleged action of the German Minister, it seemed to me quite possible that there might be some grounds for the reports which were apparently circulating in Tehran, and that it was also possible that the German Government might be able to exercise such influence with the Sublime Porte as to lead to some solution of the frontier difficulty. This item of intelligence was to my mind of far more importance than was the other, and I would endeavour to ascertain if there were any confirmation of it obtainable.

I have, &c.
(Signed) A. NICOLSON.

• No. 83.

[1549]

† No. 106.

2 I

Inclosure in No. 209.

Memoranda communicated by M. Goubastoff to Sir A. Nicolson.

(1.)

D'APRÈS des renseignements qui viennent d'être communiqués par M. de Hartwig, des bruits circulent à Téhéran relatant que le Directeur de la "Imperial Bank of Persia" est entré en pourparlers avec quelques membres du Medjliss dans le but d'arriver à une fusion de la Banque Schah-in-Schah avec la Banque Nationale de Perse projetée. Une des conditions de cette fusion serait, à ce qu'il paraît, la cession par la Banque Anglaise à la nouvelle institution financière du droit d'émettre des billets de banque.

Saint-Petersbourg, le 15 (28) Octobre, 1907.

(2.)

L'opinion publique à Téhéran affirme, paraît-il, que le Ministre d'Allemagne en Perse aurait offert au Président du Medjliss de financer la nouvelle Banque Nationale et de contribuer à une solution favorable pour la Perse du différend Turco-Persan par rapport aux affaires de frontière. M. Stemrich aurait demandé en retour des concessions dont la nature n'est pas spécifiée plus exactement.

Saint-Petersbourg, le 15 (28) Octobre, 1907.

[37106]

No. 210.

Sir A. Nicolson to Sir Edward Grey.—(Received November 11.)

(No. 547.)

Sir,

St. Petersburg, October 31, 1907.

I REMINDED M. Goubastoff yesterday that I was still awaiting his final opinion as to whether the general instructions which the French Minister at Tehran had intimated might be given to the Financial Adviser in Persia would not cover the objections which had been raised by the Russian Government to the terms of the communication which had been made by the French Legation to the Persian Government.

I received this morning a private letter from M. Goubastoff, stating that he had requested the French Minister here to be good enough to give him, if there were no objection, some details as to the instructions with which the French Government proposed to furnish M. Bizot. He added to me that he trusted that these instructions would be of a nature to remove the objections of the Russian Government and thereby enable them to agree with the terms of the French communication to the Persian Government. He promised to let me know as soon as a decision had been taken on that point.

I have, &c.
(Signed) A. NICOLSON.

[37107]

No. 211.

Sir A. Nicolson to Sir Edward Grey.—(Received November 11.)

(No. 548.)

Sir,

St. Petersburg, October 31, 1907.

IN pursuance of the instructions conveyed in your telegram No. 273 of yesterday's date, I inquired of M. Goubastoff this afternoon in what light the Russian Government viewed the proposal of their Minister at Tehran that the Russian and British Consuls at present on the frontier should participate in the Turco-Persian Frontier Commission, with a consultative voice.

His Excellency said that he would gladly see the two Consuls take an active part in the deliberations of the Commission, but, as this would probably meet with strong objections from the Sublime Porte, he would, should His Majesty's Government concur,

join in obtaining the consent of the Sultan to the Consuls merely assisting at the meetings of the Commission for the purpose of giving advice. It was likely that even this limited share in the proceedings would be unwelcome to the Ottoman Government, but he was quite ready to associate himself with His Majesty's Government in any steps which they might be willing to take towards expediting the labours of the Commission. In short, he was at the disposal of His Majesty's Government in any course which they might think fit to take in the matter. He had no doubt that the Persian Government would be gratified at receiving the assistance of the Consular Representatives.

At present the Russian Ambassador at Constantinople had informed the Sublime Porte that the Russian Consul was present on the frontier in order to watch over the interests of certain Russian subjects which had been injured by recent military proceedings, and no intimation had been made that he was there for any other purpose.

I told M. Goubastoff that I would telegraph to you in the sense of his language to me, and would let him know your reply.

I have, &c.
(Signed) A. NICOLSON.

[37112]

No. 212.

Sir A. Nicolson to Sir Edward Grey.—(Received November 11.)

(No. 553. Confidential.)

Sir,

St. Petersburg, November 3, 1907.

DURING an interview which I had yesterday with M. Goubastoff, I informed him that I had received some information in regard to one of the items of news which he had been good enough to give me the other day respecting certain alleged proposals made by the German Minister at Tehran to the President of the Persian Assembly. I gave his Excellency, verbally, the substance of the conversation which Mr. Marling had had with the President of the Council, and which he reported to you in his telegram No. 317. I did not in any way refer to the suggestion made by M. de Hartwig, and apparently concurred in by Mr. Marling and M. de la Martinière, that the contract to be concluded between the French Financial Adviser and the Persian Government might be enlarged so as to include some mention of the National Bank, as it seemed to me that it would be unwise to do so until I knew your views on the subject.

I asked M. Goubastoff whether he would soon be in a position to communicate to me the decision of the Russian Government as to the formula which had already been communicated by the French Legation to the Persian Government, and to which they had hesitated to give their consent until they had cognizance of the terms of the general instructions to be issued by the French Government to M. Bizot. I said that I thought that it would be well if the British and Russian Governments came shortly to an understanding on the subject.

M. Goubastoff said that he had just seen M. de Panafieu, who had intimated to him that in a day or two he hoped to be able to communicate the instructions which the French Government proposed to issue, and that when he received them he would let me know.

In regard to the information which I had conveyed to him as to the reported action of the German Minister, M. Goubastoff thanked me for the interesting news, and merely remarked that it did not appear that any recent steps had been taken. He inquired whether I could give him any confirmation of the report which he had previously communicated to me, that the Imperial Bank was considering the question of a fusion with the National Bank; and I told him that, in the telegrams which I had received, no mention had been made of the matter, and I therefore presumed that the report was without foundation. M. Goubastoff said that he could then treat it as bazaar gossip.

With respect to the question of the functions of the French Financial Adviser, I had the honour to receive your telegram No. 284 subsequent to my interview, and it was, in consequence, fortunate that I had refrained from touching on the point of the National Bank. It seemed to me that, owing to the frequent interchange of telegrams, there might be a risk of some confusion arising, and I therefore wrote a private letter to M. Goubastoff this morning, requesting him that, before taking any action on the communication which he was expecting from M. de Panafieu, he would

kindly talk the matter over with me and give me an opportunity of referring to you, so that the two Governments should come to an understanding as to the instructions to be sent to their respective Representatives at Tehran. The Russian Government did not favourably view, as I have previously reported, the formula communicated by the French Legation to the Persian Government, as in their opinion it gave vague and undefined powers to the French Financial Adviser which in their exercise might possibly conflict with the financial interests of Great Britain and of Russia. His Majesty's Government, on the other hand, were of opinion that the instructions to be given to M. Bizot would obviate such a danger, and expressed a wish, in case the Russian Government did not hold the same view, to be informed what modifications of the formula the latter would suggest. Before giving a definite reply, the Russian Government are waiting to ascertain the tenour of the instructions to M. Bizot, and, so far as they are concerned, there the matter rests at present.

I have, &c.
(Signed) A. NICOLSON.

[37114]

No. 213.

Sir A. Nicolson to Sir Edward Grey.—(Received November 11.)

(No. 555.)

Sir,

St. Petersburg, November 4, 1907.

M. GOUBASTOFF came to see me to-day to inform me that he had received a telegram from M. de Hartwig that the Shah was in most serious financial straits, and had not money to pay his personal guards, whose salaries were four months in arrears. His Majesty had sent his chief eunuch to the bazaars to endeavour to raise 20,000 tomans, but no response had been forthcoming. In these circumstances the Shah was exposed to serious danger, as his guards would desert unless they received some payments, and it was not safe at this moment to leave the Sovereign quite unprotected.

M. Goubastoff said that the Russian Government could not leave the Shah unaided in his dire distress, and he had therefore written to the Minister of Finance to request that a credit of 60,000 to 100,000 tomans, with power to go up to 150,000 tomans, should be opened at once to M. de Hartwig.

I thanked his Excellency for this information, but made no further observations.

M. Goubastoff went on to say that affairs in Persia looked very serious, and that the Assembly appeared, after declaring itself to be "en permanence," to be arrogating to itself executive and administrative functions. There was anarchy all over the country, and he thought it would be necessary, as a measure of precaution, to assemble some troops on the Russian frontier to be in readiness to protect Russians and other foreigners should the occasion arise. He had heard that the presence of the "Comet" in the Shat-el-Arab had produced a salutary effect, and perhaps a similar demonstration on the northern frontier might also cause an impression.

I told M. Goubastoff that from the reports which I had seen there did not appear to be at present any feeling against foreigners, though, of course, the turbulent spirits might at any moment turn their activity against Europeans.

I believed that the "Comet" had not been able to get to Ahwaz, owing to the shallowness of the water, and her mission had been, so far as I could remember, to protect the agents of a British Oil Syndicate, who were in some danger, from the Bakhtian tribes. She had now returned to Mohammerah to await orders.

I asked his Excellency if he had heard of the approaching arrival at Tehran of an agent of the Mendelssohn house. He said that M. de Hartwig had mentioned the matter, and that he seemed anxious as to the outcome of German activity. He did not know whether M. de Hartwig was not unduly alarmed and pessimistic. I told his Excellency that I thought it desirable that German action should be carefully watched, as doubtless the moment was favourable for Germany to acquire considerable influence at Tehran, and perhaps obtain some control over the finances of the country. This would not be in the interests either of Russia or of Great Britain; moreover, M. de Richthofen, a very busy and ambitious young diplomatist, was also returning to Tehran as Chargé d'Affaires, and this was not an event which could be regarded with complete satisfaction.

M. Goubastoff asked if I thought that Germany would endeavour to establish the National Bank through the agency of M. Jung, of Mendelssohn and Co. I said I could not say what Germany might do or not do. I remembered M. de Schoen telling me that the German school at Tehran was only to be a seminary for a few little German girls.

I had seen that it had opened with a goodly number of Persian youths, and so I presumed that the original intention had been amplified. Personally, I should like to see the question of the French Financial Adviser finally settled. All was so obscure and perplexing in the Persian situation that it was difficult to see clearly. M. Goubastoff was evidently a little uneasy as to the possible aims and actions of Germany, and said that he hoped in a day or two to receive from the French Minister the instructions with which the French Government proposed to furnish M. Bizot.

I have, &c.
(Signed) A. NICOLSON.

[37119]

No. 214.

Sir A. Nicolson to Sir Edward Grey.—(Received November 11.)

(No. 560. Confidential.)

Sir,

St. Petersburg, November 6, 1907.

I INFORMED M. Goubastoff to-day that the news which I had received from Tehran was somewhat disquieting, and that I had been thinking over what he had said to me the other day as to moving Russian troops towards the Persian frontier. The feeling in Persia seemed at this moment to be a little explosive, and the Shah appeared to be in a delicate position. If the report were to be spread that Russian troops were on the move towards the Persian frontier wild and exaggerated versions would fly about, and it might be considered that some material and active support was hastening to the aid of the Shah against the Assembly. His Majesty's position might then become one of serious personal danger.

M. Goubastoff said that he was sending to the Emperor a draft telegram to M. de Hartwig asking for the opinion and advice of the latter in regard to the necessity of moving troops, and he added that he quite appreciated the remarks which I had made. The presence of the "Comet" had apparently given rise to various rumours, and it was possible that military movements might also cause agitation.

I told his Excellency that I had just received a telegram announcing that the "Comet" had been withdrawn. The situation in Persia was so agitated and perplexing that it seemed to me that both Great Britain and Russia should move with the greatest circumspection and prudence, and refrain from any action whose consequences could not clearly be foreseen or which might increase the risks of complications external and internal. The only bright spot to my mind in the whole situation was the loyal and frank manner in which Great Britain and Russia were acting together. Had we been, as formerly, suspicious and jealous of each other matters might have assumed a very grave aspect. His Excellency said that he most heartily agreed with me, and he observed that we had signed the Convention most opportunely.

He asked, as we were talking of Persia, if I had had cognizance of what he termed a "pompous and inflated" letter which the Persian Minister for Foreign Affairs had addressed to the Russian and British Representatives in regard to the Anglo-Russian Convention. He had received a telegram from M. de Hartwig this morning giving the substance of the letter which the latter considered had been indited under the influence of the Assembly. I told his Excellency that the Foreign Minister before he left here had expressed himself highly satisfied with the Convention, but it was probable that the local atmosphere had had its influence on him. I should doubtless receive information of the letter later.

I have, &c.
(Signed) A. NICOLSON.

[37120]

No. 215.

Sir A. Nicolson to Sir Edward Grey.—(Received November 11.)

(No. 561.)

Sir,

St. Petersburg, November 6, 1907.

ON the receipt of your telegram No. 286 of the 4th instant I embodied in a Memorandum, which I communicated to M. Goubastoff, the reasons which rendered it of considerable urgency that the Persian Government should be moved to accept the

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2 K

appointment of M. Bizot as Financial Adviser in Persia, even if it were found necessary to make in the contract some mention of the National Bank.

M. Goubastoff told me to-day that the Russian Government were now prepared to instruct M. de Hartwig to join with Mr. Marling in urging the appointment on the Persian Government, and to make no difficulties in respect to the mention of the National Bank. In reply to an inquiry, I explained to his Excellency that we did not propose that we should immediately take steps to assist in the establishment of that institution, but that we considered it but fair to the Persian Government to raise no difficulties when the question assumed a concrete form. It would, of course, be necessary to see that the conditions under which the bank was established were reasonable ones, and would not impair the rights acquired by the Russian and British banks. If M. Bizot were appointed there would be far greater facilities for doing this than if an Adviser of another nationality were named. The main point was to secure the appointment of M. Bizot, and the sooner this could be done the better.

M. Goubastoff had not yet received the communication of the instructions from the French Government, which he is expecting.

I have, &c.
(Signed) A. NICOLSON.

[37088]

No. 216.

Sir P. Lascelles to Sir Edward Grey.—Received November 11.)

(No. 487.)
Sir,

Berlin, November 2, 1907.

His Majesty's Representatives abroad have from time to time reported to you in regard to the proceedings of Dr. Grothe, who has recently been travelling in Asia Minor.

It appears that Dr. Grothe has now left Asia Minor and has proceeded to Persia, whence he has addressed a series of articles on "South-West Persia and its Commercial Possibilities" to the "Frankfurter Zeitung." Dr. Grothe in a footnote to the article states that he is willing to supply further and more detailed information to German merchants on application to the offices of the newspaper in Frankfurt.

After discussing the geographical conditions and lines of communication of South-West Persia, the writer declares that, in view of the future influence in those regions which Germany will acquire by means of the Bagdad Railway, and also in view of the growth of German shipping in the Persian Gulf, the district in question is one of great importance to German commercial interests. Hitherto South-West Persia has been neglected by Germans. There are but few German trading establishments in the district, and the writer urges that a business should be established at Kermanshah and Ispahan. Such an establishment would find an opening for the importation of European goods into Kermanshah, which has a central situation, and is therefore a good place for distribution. But it is not only in the import trade that such a house should concern itself. The export of carpets, wool, opium, and cotton from Ispahan would be a profitable undertaking. The province of Fars is rich in corn, tobacco, rice, and wine. The German chemical industry would find a good opening there by buying up land and cultivating the poppy and raising opium. It would also be an advantage were a German Agent to be sent to Persia to encourage the import into that country of indigo and other dyes made in Germany. Such an Agent should not be a merchant, but should have a thorough knowledge of the Persia carpet trade. He should make Ispahan his head-quarters, and establish sub-agencies at Hamadan, Sultanabad, Shiraz, and Kermanshah. A further field for German enterprise would be the establishment of a transport system for the carriage of goods along the Khanekin-Kermanshah-Hamadan, Sultanabad-Tehran, and Bushire-Shiraz-Ispahan roads. Such a system would be most beneficial, since Persian trade suffers much from the irregularity of the caravan service. If the German Orient Bank opens branches in the southern towns the activity of German industries will receive a valuable impulse.

Dr. Grothe urges upon his readers that the recently concluded Agreement between England and Russia has absolutely no binding force upon Germany, and German industry is at perfect liberty to introduce itself into those regions which may appear to be most profitable. The north of Persia, however, is practically

controlled by Russia, and Germany should therefore direct her attention to the south-west, where her position in Mesopotamia gives her a good start.

I have, &c.
(For Sir F. Lascelles),
(Signed) J. DE SALIS.

[37238]

No. 217.

India Office to Foreign Office.—(Received November 11.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 6th instant, relative to the return of the "Comet" to Bagdad.

India Office, November 9, 1907.

Inclosure in No. 217.

Mr. Morley to Government of India.

(Telegraphic.) P.

India Office, November 6, 1907.

PLEASE see your telegram of the 1st November.

Instructions should be issued to "Comet" that on completion of quarantine she is to return to Bagdad.

[37288]

No. 218.

India Office to Foreign Office.—(Received November 11.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 10th instant, relative to the Shiraz escort.

India Office, November 11, 1907.

Inclosure in No. 118.

Government of India to Mr. Morley.

(Telegraphic.) P.

November 10, 1907.

SITUATION at Shiraz: Your telegram of the 6th instant.

Orders for the retention of relieved escort have already been issued by Cox, and his action has been approved by us.

[37295]

No. 219.

Sir N. O'Connor to Sir Edward Grey.—(Received November 11.)

(No. 151.)

(Telegraphic.) P.

Constantinople, November 11, 1907.

TURCO-PERSIAN frontier dispute.

I have received to-day the following telegram, No. 26, dated the 5th November, from Mr. Wratislaw, Urmia:—

"On his return yesterday from his visit to Bashkaleh, where all the Turkish Commissioners were assembled, the Russian Vice-Consul was at first very hopeful as to the impression made on them by his arguments. But a Memorandum, which they handed to him on his departure and which I have now translated for him, traverses all these arguments, and in particular emphatically asserts the correctness and validity of Dervish Pasha's map; stress is laid on a Convention between Persia and Turkey concerning

the *status quo* (presumably in 1869), by which the identic map is rendered inoperative, and on the frontier established by ancient Treaties embodied in the above-mentioned map."

If the Turkish Commission do not come over to this side within two or three weeks the snow will close the road against them.

[37242]

No. 220.

Mr. Marling to Sir Edward Grey.—(Received November 11.)

(No. 339.)

(Telegraphic.) P.

Tehran, November 11, 1907.

YOUR telegram No. 299 to Sir A. Nicolson.

Turco-Persian frontier dispute.

Consuls will be in a false position as regards Turks if they do not attend meetings of Commission, as latter may refuse even unofficially to communicate with them.

It will also be more difficult for Persian Government to calm down public excitement, as they will think we are disinteresting ourselves in the question. There will further be a loss of credit to us, and the eventual handling of questions such as the renewal of Telegraph Concessions and the exchange of telegraph lines will be rendered even harder thereby.

Advisability of obtaining attendance of Consuls is also being urged by Russian Minister.

[37280]

No. 221.

Mr. Marling to Sir Edward Grey.—(Received November 11.)

(No. 340.)

(Telegraphic.) P.

Tehran, November 11, 1907.

ARTICLES calling for a holy war against foreigners have been published by "Habl-ul-Matin," the leading newspaper, and in three other papers. Ministers speaking in Medjliss urged on members necessity for courteous language in regard to foreign Powers, and mildly reprobated tone of press.

Alarm needless at present.
Situation in Shiraz calmer.

[37242]

No. 222.

Sir Edward Grey to Sir A. Nicolson.

(No. 304.)

(Telegraphic.) R.

Foreign Office, November 11, 1907.

MR. MARLING'S telegram No. 339: Turco-Persian frontier.

Are Russian Government in favour of Consuls attending meetings?

[35972]

No. 223.

Foreign Office to Consul-General Sir W. Ward.

(No. 1. Confidential.)

Sir,

Foreign Office, November 11, 1907.

I AM directed by Secretary Sir E. Grey to transmit to you herewith copy of a letter from Messrs. Lynch Brothers relative to the pearl shell industry in the Persian Gulf,* together with copy of a despatch from His Majesty's Ambassador at Constantinople,† inclosing a Report by Mr. Lloyd on the subject.

I am to request you to furnish such information as you may be able to obtain with regard to this industry as connected with Hamburg.

I am, &c.
(Signed) LOUIS MALLET.

* Messrs. Lynch Brothers, September 3, 1907.
† Sir N. O'Connor, No. 639, Confidential, September 30, 1907.

[35972]

No. 224.

Foreign Office to India Office.

Sir,

Foreign Office, November 11, 1907.

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 30th ultimo, reporting the steps taken with regard to the cancelling of the Abu Musa Red Oxide Concession.

It appears not improbable that the German Government may take up the matter; but Sir E. Grey is of opinion that the British case is a strong one, and that there will be no difficulty in returning a satisfactory reply to any German representations on the subject.

In this connection I am to request you to call Mr. Secretary Morley's attention to Sir N. O'Connor's despatch No. 639 of the 30th September, inclosing a Report by Mr. Lloyd on German activity in the Persian Gulf with especial reference to the pearl shell industry.

A copy of the Report in question was communicated confidentially to the British India Steam Navigation Company.

I am to inquire whether the Government of India propose to take any action with a view to exercising pressure upon the local Sheikhs concerned, as suggested by Mr. Lloyd.

I am, &c.
(Signed) LOUIS MALLET.

[37296]

No. 225.

Sir N. O'Connor to Sir Edward Grey.—(Received November 12.)

(No. 152.)

(Telegraphic.) P.

Constantinople, November 12, 1907.

TURCO-PERSIAN frontier. Following sent to Mr. Wratislaw yesterday:—

“(No. 11.)

“With reference to your telegrams Nos. 24 and 26 of the 2nd and 10th instant respectively, the Grand Vizier, in reply to my representations (see my telegram of the 23rd September), assures me that he will endeavour to have the question dealt with in such a manner as to bring about an amicable solution, when the Persian Commissioners have reached their destination and properly put forward their contentions. He declares that in the meantime the Turkish troops will have to be withdrawn from outlying posts in a westerly direction owing to the approaching severities of winter.”

[37420]

No. 226.

Sir A. Nicolson to Sir Edward Grey.—(Received November 12.)

(No. 236.)

(Telegraphic.) P.

St. Petersburg, November 12, 1907.

WITH reference to your telegram No. 304 of yesterday's date respecting the Consuls' attendance at the meetings of the Frontier Commission, I inquired a few days ago of M. Goubastoff as to the views of the Russian Government on the subject, and I added that the objections raised by the two Ambassadors at Constantinople appeared to His Majesty's Government to have some weight. The Minister for Foreign Affairs is expected back to-morrow, and it is possible that M. Goubastoff is awaiting his return before replying to the Memorandum which I had left with him.

I will inquire again later, though I reminded M. Goubastoff yesterday that I was still awaiting a reply to my Memorandum.

[37433]

No. 227.

Sir A. Nicolson to Sir Edward Grey.—(Received November 12.)

(No. 238.)

(Telegraphic.) P.

St. Petersburg, November 12, 1907.

THE following telegram has been repeated to Tehran and to Constantinople:—

The Russian Ambassador at Constantinople has been asked to give his opinion as to the participation of the Consuls in the Turco-Persian Frontier Commission to which I referred in my telegram No. 236 of to-day's date. When his Excellency's answer comes the Russian Government have promised to give me a reply on the subject.

I told them that I believed Sir N. O'Connor's opinion was shared by the Russian Ambassador, and I gathered that the Imperial Government were inclined to adopt the same view.

[37434]

No. 228.

Sir A. Nicolson to Sir Edward Grey.—(Received November 12.)

(No. 239.)

(Telegraphic.) P.

St. Petersburg, November 12, 1907.

A REPETITION of the following has been sent to Tehran:—

I saw M. Goubastoff to-day, who told me that he did not know whether the project for an advance of money to the Shah had been abandoned, but that His Majesty had taken no further steps towards procuring the money.

His Excellency remarked that it was strange that the matter had been suddenly dropped, more especially since the Russian Minister had been assured that the financial needs were so urgent, and that the application had been so pressing at first.

[32484]

No. 229.

Sir Edward Grey to Mr. Marling.

(No. 175)

(Telegraphic.) P.

Foreign Office, November 12, 1907.

PLEASE refer to Sir C. Spring-Rice's despatch No. 209 respecting Oil Syndicate.

Are any steps being taken by Khans to protect property of Syndicate, and has any punishment for outrages committed been inflicted on the tribesmen lately?

Is it important and desirable, in your opinion, that guards at Consulate at Ahwaz should be increased?

[37452]

No. 230.

India Office to Foreign Office.—(Received November 13.)

Sir,

India Office, November 12, 1907.

IN continuation of my letter of the 18th October last as to the proposed increase of the Ahwaz Consular guard, I am directed by Mr. Secretary Morley to inclose a copy of a telegram from the Government of India, dated the 11th instant, in which they suggest that an infantry guard with eight mounted men should be sent instead of cavalry. The number of men is not affected by the proposal, but the expenditure will be reduced as follows:—

Initial, excluding transport charges, from 8,000 rupees (533*l.* 6*s.* 8*d.*) to 4,000 rupees (266*l.* 13*s.* 4*d.*).

Recurring, from 2,400 rupees per mensem (1,920*l.* per annum) to 2,280 rupees per mensem (1,824*l.* per annum).

I am, &c.
(Signed) A. GODLEY.

Inclosure in No. 230.

Government of India to Mr. Morley.

(Telegraphic.) P.

November 11, 1907.

AHWAZ: Protection of Oil Syndicate camps.

Please refer to my telegram of the 15th ultimo. Infantry guard, with eight mounted men, would, we have ascertained, be preferable to cavalry. Though no change in numbers is involved, reduction from 8,000 rupees to 4,000 rupees can be effected in initial, and from 2,400 rupees to 2,280 rupees in recurring cost. Telegraphing on the 29th October, Consul states that, if it is decided to dispatch guards, they should be sent as soon as possible, having regard to general state of affairs. Your instructions are awaited.

[37509]

No. 231.

Sir A. Nicolson to Sir Edward Grey.—(Received November 13.)

(No. 240.)

(Telegraphic.) P.

St. Petersburg, November 13, 1907.

THE following has been repeated to Tehran:—

I am informed by the French Ambassador here that the French Minister at Tehran has been instructed to arrange with the Persian Government that the contract as to a Financial Adviser should be signed in Paris, and that the Persian Government should give to their Minister there the authority to do so.

[37498]

No. 232.

Mr. Marling to Sir Edward Grey.—(Received November 13.)

(No. 341.)

(Telegraphic.) P.

Tehran, November 13, 1907.

YESTERDAY afternoon, for the first time, Shah went to Assembly attended by a numerous suite. To insure his safety every possible precaution had been taken. His Majesty was informed of Budget arrangements by principal Mujtahid, who acted as spokesman for the House, viz., expenditure (including 100,000*l.* for Civil List), and revenue balanced at 1,500,000*l.* His Majesty took prescribed oath and expressed satisfaction at labours of Assembly. Proceedings, which only lasted half-an-hour, concluded with reading of Imperial Address and reply of Medjliss.

Shah was well received both in Assembly and in the streets.

[37559]

No. 233.

India Office to Foreign Office.—(Received November 14.)

Sir,

India Office, November 13, 1907.

I AM directed to acknowledge the receipt of your letter of the 29th ultimo, as to the measures to be taken in consequence of two acts of organized piracy committed by pirates residing at Dayir on the Persian coast.

In reply, I am to say that Mr. Secretary Morley agrees with the proposals of the Secretary of State for Foreign Affairs concerning the representation to be made to the Persian Government, and the subsequent action to be taken on the coast by one of His Majesty's ships. In the event of the pirates, whose operations appear to extend to the Shat-el-Arab, being no longer at Dayir, presumably the Commander of the ship detailed for the duty will be authorized to take necessary action at any other place on the Persian littoral, where they may be found.

Mr. Morley proposes to await the result of the communication to the Admiralty referred to in your letter before informing the Government of India of the decision arrived at. There seems no reason why one of the vessels stationed in the Gulf should not be employed.

I am to add, with reference to the question of Koweitis residing abroad, that

Mr. Morley concurs in the view that it is unnecessary at present to go beyond the policy laid down in Lord Lansdowne's despatch to His Majesty's Ambassador at Constantinople, No. 245 of the 2nd September, 1903.

I am, &c.
(Signed) A. GODLEY.

[37564]

No. 234.

Sir Edward Grey to Persian Chargé d'Affaires.

SIR E. GREY presents his compliments to the Persian Chargé d'Affaires and, with reference to the inquiry which he made on the 11th instant respecting the views of His Majesty's Government upon the Turco-Persian frontier question, has the honour to state that as the Persian Commissioner must at length have arrived at the frontier, it would seem advisable to await the result of the labours of the Commission. The dispatch of Persian troops to the scene is, in the opinion of His Majesty's Government, most undesirable; and for the time being, His Majesty's Government can only recommend the exercise of patience.

In the meantime His Majesty's Ambassador at Constantinople will not lose sight of the question, and will use all his influence with the Ottoman Government in the direction of a settlement.

Foreign Office, November 14, 1907.

[37629]

No. 235.

Count de Salis to Sir Edward Grey.—(Received November 15.)

(No. 499.)

Sir,

Berlin, November 12, 1907.

ON the 2nd instant Sir Frank Lascelles had the honour in his despatch No. 487 to report to you that the German traveller Dr. Grote had addressed a letter to the "Frankfurter Zeitung" commenting on the effect that the Anglo-Russian Agreement had had in Persia, and pointing out that the south-west provinces of that Empire offered the most satisfactory openings to German trade.

The "Berliner Tageblatt" of to-day's date publishes an article from its correspondent at Tehran entitled "Now or Never." The writer of this article shares the opinion of Dr. Grote that the best field for German enterprise is offered in South-West Persia. The English sphere, he says, affords but little field for German trade. As its trade must be dominated by India, which lies on the frontier, German competition would be defeated. On the other hand, the Russian sphere may offer opportunities to Germans. Russia will no doubt wish to exploit Concessions for railway construction and mining operations in her sphere, and for this foreign capital will no doubt be necessary; and if this is so, an opening will be afforded for the investment of German capital.

But it is, of course, in the territory between the Turkish frontier and the sea that the best chance offers itself to German enterprise. In this district the only firms which compete with those of Germany are the Anglo-Indian ones. British competition can, however, be killed, and the moment is now a favourable one. The Anglo-Russian Agreement has attracted Indian trade to another part of Persia, and if Germany now puts forward strong efforts in the south-west she will succeed in capturing the market in those provinces.

For this purpose official help is absolutely necessary. At present Germany has besides the Legation at Tehran but one Representative *de carrière* in Persia, viz., the Consul at Bushire. The increase of Consulates is a vital matter for the furtherance of German commercial interests. Regular Consuls should be appointed to Resht, Tabreez, as it is the residence of the Valiahd, and also for Mid-Persia. The writer is not inclined to favour Ispahan as the best place for this post, although the importance of the town and its situation render it necessary that German interests should be represented there; he would prefer Hamadan or Kermanshah, as being more central and nearer the main trade routes.

Almost as important to German interests as official assistance is the foundation of a German bank in Persia. The "Deutsche Orient-Bank," in virtue of its Agreement

[37693]

No. 237*.

Sir Edward Grey to Sir F. Bertie.

(No. 129.)

(Telegraphic.) P.

Foreign Office, November 15, 1907.

FINANCIAL Adviser.

Please refer to Tehran telegram No. 313 of to-day's date.

You should ask the Minister for Foreign Affairs what are objections of the French Government to Article 2 of draft Contract. We fear the Assembly would not consent to the wording being modified in any way, now that the draft Contract has been accepted; and in view of the danger lest some other Power should respond to a Persian appeal for assistance, it is most important to avoid delay in settling the matter. We have no objection to agreeing ourselves, and we were given to believe the Russians would not have any on their side.

You should make inquiries accordingly.

[1549]

2 M*

with the Persian Government, is about to open branches in Tehran and Tabreez, but it is very much to be desired that it will also open a branch in the districts proclaimed to be neutral territory by the Anglo-Russian Agreement.

The writer concludes by a strong appeal for immediate action. Now is the moment to consolidate and extend German interests in the East. If it is not taken advantage of now, the opportunity will be lost, and in a year's time the chances of Germany may not be so favourable. This article is dated October, and was therefore written before it had been decided to send the German Commercial Attaché at Constantinople on a nine months' tour in Persia, apparently with instructions to furnish his Government with a report as to how best to bring about the conditions advocated by the "Berliner Tageblatt's" correspondent and Dr. Grote. It is also stated in the "Berliner Tageblatt" that Dr. Stemrich has been appointed Under-Secretary of State for Foreign Affairs in succession to Dr. von Mühlberg, and is leaving Tehran at the end of this month for Berlin in order to take up his new duties. It is rumoured that he will be succeeded in Persia by Dr. Rosen, German Minister at Tangier.

Dr. Stemrich was known as a very active Consul-General at Constantinople, and his transference to the Foreign Office in Berlin would appear to show that the German Government were anxious to have an official with considerable experience of the East at head-quarters.

I have, &c.
(Signed) J. DE SALIS.

[37714]

No. 236.

Sir A. Nicolson to Sir Edward Grey.—(Received November 15.)

(No. 242.)

(Telegraphic.) P.

St. Petersburg, November 15, 1907.

FINANCIAL Adviser in Persia: Referring to Mr. Marling's telegram No. 343 of to-day.

I imagine from what M. Bompard told me that French Government were under the impression that establishment of National Bank was desired neither by British nor Russian Governments; perhaps this may account for their objections to clause in Article 2 of draft Contract. They are now, I suppose, aware that on that point the two Governments have modified their attitude.

It was desire of Russian Government to see the general instructions which it was proposed to give to the Adviser, but they have not received them yet, so far as I know. It is my intention to see M. Isvolsky on the 18th instant, and I will then ask him what information has reached him on the subject. Mr. Marling could perhaps find out if instructions have been sent to French Minister to press Persian Government to agree that Contract should be signed in Paris.

[37693]

No. 237.

Mr. Marling to Sir Edward Grey.—(Received November 15.)

(No. 343.)

(Telegraphic.) P.

Tehran, November 15, 1907.

PLEASE refer to your telegram to Sir A. Nicolson, No. 286 of the 4th November, on the subject of the French Financial Adviser for Persia.

Assembly yesterday accepted draft contract, which was read to them.

Literal translation of Article II is as follows: "M. Bizot is engaged with a view to assist by his advice the Persian Government in the study of such financial questions and reforms as the Persian Government shall judge necessary to submit to him, as also in the establishment of the National Bank."

Wording of last clause gives rise to objections on the part of the French Government, as they fear it is sufficiently explicit to compel M. Bizot to attempt creation of National Bank. Russian Government is, I understand, prepared, if this is the case, to rely solely on the letter of general instructions.

As objections of French Government seem to be uncalled for, can they not be induced to withdraw them?

[37814]

No. 238.

India Office to Foreign Office.—(Received November 16.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 14th instant, relative to the Persian Gulf pearl shell industry.

India Office, November 16, 1907.

Inclosure in No. 238.

Mr. Morley to Government of India.

(Telegraphic.) P. *India Office, November 14, 1907.*
PLEASE refer to Secretary's letter inclosing despatch from His Majesty's Ambassador, Constantinople, of the 30th September last, on the subject of the pearl shell industry in the Persian Gulf.

The Foreign Office ask whether, as suggested in the Memorandum, it is proposed to take any action to exercise pressure on the local Sheikhs.

I shall be glad to be furnished with your views on the matter. The British India Steam Navigation Company have been furnished with a copy of the Memorandum.

[37813]

No. 239.

India Office to Foreign Office.—(Received November 16.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 14th instant, relative to the Abu Musa Red Oxide Concession.

India Office, November 16, 1907.

Inclosure in No. 239.

Mr. Morley to Government of India.

(Telegraphic.) P. *India Office, November 14, 1907.*
ABU MUSA Island. Please see your telegrams of the 29th ultimo and the 2nd instant.

In the opinion of the Foreign Office it is not improbable that the matter may be taken up by the German Government, but difficulty in replying satisfactorily to representations that may be made on the subject is not anticipated.

[37805]

No. 240.

Mr. Marling to Sir Edward Grey.—(Received November 16.)

(No. 342.) *Tehran, November 15, 1907.*
(Telegraphic.) P.
I HAVE sent following telegram to-day to Captain Lorimer, His Majesty's Vice-Consul at Ahwaz:—

"This morning I received a visit from son of Ilkhani, and two other Bakhtiari Khans.

"They retailed the whole series of time-honoured complaints, demanded satisfaction, and asked that you should be removed. I told them that you would on no account be removed, and that the Khans must fulfil their engagements, which they had hitherto failed to do.

"They then intimated that abstention from attack rather than the provision of protection was entailed on them by their engagements; and thereupon, claiming to do so with the authority of the two leading Chiefs, they formally renounced all responsibility for the future.

"Son of Samsam-es-Saltaneh leaves to-morrow for Bakhtiariistan.

"It will now be necessary to communicate with Central Government."

[37824]

No. 241.

Mr. Marling to Sir Edward Grey.—(Received November 16.)

(No. 344.)

(Telegraphic.) P.

Tehran, November 16, 1907.

PLEASE refer to your telegram of the 12th instant regarding Oil Syndicate's employés.

(a.) See my telegram of the 24th October, No. 305 (repeating Captain Lorimer's telegram of the 21st October), as regards punishment inflicted on authors of Harris outrage.

(b.) Following telegram, No. 17, dated the 14th instant, received from Lorimer in regard to increase of Ahwaz escort:—

"No steps whatever taken by Khans to improve guards; needless to hope for improvement. At three camps on the Batwand side there are, according to a report of the 11th November, seven men with two rifles.

"No improvement in general situation; thieving goes on, and danger to British subjects is always a present possibility.

"Civilians will leave country if again threatened as at Chardin.

"I regard increase of my guard as important and urgent on these grounds."

I entirely concur in Captain Lorimer's views as regards desirability of immediate increase, in view of this report, and of circumstances referred to in my telegram No. 342 of yesterday.

[37805]

No. 242.

Sir Edward Grey to Mr. Marling.

(No. 177.)

(Telegraphic.) P.

Foreign Office, November 16, 1907.

MY telegram No. 175, respecting Ahwaz guards.

Please give me your opinion as to the increase, while bearing in mind that should disturbances occur isolated posts would be in danger.

In reply to your telegram No. 342, Persian Government should be informed that they will be held responsible by His Majesty's Government if, owing to action of Bakhtiari Khans, the lives or property of British subjects are imperilled.

Guarantee of a satisfactory nature should be exacted from the Khans.

With regard to the Lynch Concession, have the latter any special cause for complaint?

[37559]

No. 243.

Sir Edward Grey to Mr. Marling.

(No. 178.)

(Telegraphic.) P.

Foreign Office, November 16, 1907.

PLEASE refer to correspondence between His Majesty's Consul-General at Bushire and Government of India.

Instances: (1) in November 1906, (2) in January 1907, of piratical acts committed by Dayir Arabs.

It is for us a matter of vital interest to suppress piracy in Gulf waters, although in the first case (November 1906) the sufferers were Persian subjects.

We are bound to extend our good offices to Koweitis, and it was they who were the sufferers in the second case (January 1907).

In order to secure that the offenders shall be captured and punished and

full pecuniary reparation made to the Koweiti sufferers, you should make strong representations to the Persian Government, informing them that, in case they fail to comply, one of His Majesty's ships will take suitable naval action to capture and deliver the offenders to the Persian authorities.

(Confidential.)

The Admiralty are being requested to send at once ship to Dayir, since it is not to be expected that these representations will have any result. The movements of the pirates will be observed, with the object of capturing them at sea. The Commander has also received authority to land a sufficient force temporarily to hand over the pirates after capturing them to the Persian authorities either at Dayir or at any other spot where they may be discovered on the Persian littoral.

Precedent is to be found for this action.

[37825]

No. 244.

Mr. Marling to Sir Edward Grey.—(Received November 17.)

(No. 345.)

(Telegraphic.) P.

Tehran, November 17, 1907.

SIR A. NICOLSON'S telegram to you of the 15th instant, No. 242.

French Financial Adviser.

Instructions have been sent to Persian Minister in Paris to sign, with M. Bizot, contract in terms of draft suggested by M. de La Martinière.

His Majesty's Ambassador in Paris will, I presume, be consulted by French Government in regard to terms of letter of general instructions.

[37855]

No. 245.

Sir N. O'Connor to Sir Edward Grey.—(Received November 18.)

(No. 688.)

Sir,

Constantinople, November 12, 1907.

I HAVE the honour to transmit herewith copy of a despatch from His Majesty's Vice-Consul at Van forwarding a Memorandum on the military aspects of the Turco-Persian frontier dispute. Colonel Surtees, whose own Memorandum on the subject was inclosed in my despatch No. 522 of the 21st August last, concurs in Captain Dickson's view as to the object of the Turkish movement.

I have told Captain Dickson that I do not consider it advisable that he should visit the Vazné district. M. Anders, who is referred to in Captain Dickson's Memorandum, was originally an officer of artillery in the German army, and he was for some time Chancellor to the German Consul at Bagdad. Colonel Newmarch had not a high opinion of his ability.

I have, &c.
(Signed) N. R. O'CONNOR.

Inclosure 1 in No. 245.

Vice-Consul Dickson to Sir N. O'Connor.

(No. 21)

Sir,

Van, October 1, 1907.

I HAVE the honour to inclose an appreciation on what I personally suspect is the real reason of the Turco-Persian frontier dispute and the action of the Turks.

It will be principally of interest to the Military Attaché, though possibly the political side of the question may be of interest to your Excellency.

I would be obliged if your Excellency will forward this report to the War Office with a request on my behalf that I may be permitted to go down to the Vazné district to study this question, making the necessary maps *en route*. There is, I believe, a Consular Agent at Mosul, and if it could be arranged that I should pay him an official visit I think that it would help me in my designs.

I have, &c.
(Signed) BERTRAM DICKSON,
Captain, R.F.A.

[37821]

No. 243*.

Sir F. Bertie to Sir Edward Grey.—(Received by post, November 17.)

(No. 64.)

(Telegraphic.) *En clair.*

FINANCIAL Adviser for Persia.

Your telegram No. 129 of the 15th instant.

Paris, November 16, 1907.

The French Government have not yet seen the text of the draft contract which the French Minister at Tehran reports the Persian Assembly to have accepted. M. Pichon has twice telegraphed to him to telegraph it. If you have the text, he would be much obliged by your communicating it to the French Ambassador for transmission to Paris, as the Minister of Finance has to be consulted before M. Pichon can give the consent of the French Government to it.

He has been in communication with the Persian Minister here, and it is possible that he may obtain the text from him. His Excellency will hasten the consideration of the contract as much as possible.

[1549]

2 M†

Inclosure 2 in No. 245.

Memorandum respecting the Turco-Persian Frontier Dispute.

THE question of the troubles on the Turco-Persian frontier between Bayazid and Vazné have not as yet attracted much attention, the fact that the Turkish troops have occupied Persian territory at Kala Passova, Tergavver, &c., being of small importance in the present weak state of Persia, and what is probably the real reason for this occupation, one that will probably play an important rôle in a future Russo-Turkish war, has not, as far as I am aware, been divulged.

In the event of such a war, Russia's plan of campaign must necessarily largely depend on her relations with her neighbours, as these relations will decide whether she will be able to utilize the large forces she has watching her German, Austrian, and Japanese frontiers, while her internal politics will also influence the amount of troops which can be spared from her more troublesome provinces. Another, and perhaps the principal, factor which will regulate her plans is whether she will be allowed to send her armies through Roumania and Bulgaria to Turkey in Europe. Russia would naturally try to strike the severest possible blow to the Turks, and this would be aimed at Constantinople; but if from political or any other reasons Russia were unable to pass her armies through Roumania, the theatre of war would be changed to Asia Minor or Transcaucasia, unless the Russians with the aid of their fleet were able to effect a landing somewhere in Turkey in Europe. In any case a Russian advance of some sort, the magnitude of which will depend on the above circumstances, must be expected from Transcaucasia to Asia Minor, and on this advance I will make some observations.

It would be the policy of Russia, in the case of such a war, to try and crush the Osmanli Turks, while leaving alone as much as possible the subject races—Kurds, Armenians, Arabs, Greeks, &c. Thus her objectives would be Anatolia and Constantinople.

On studying the map it will be found that there are only two practicable roads from Russia to Anatolia, one by Erzeroum and Sivas, the other by Bitlis, Diarbekir, Kharput, and Malatia. In an advance on Anatolia the Russians would probably use Kars and Erivan as their bases, and the main advance would be on Erzeroum, generally called the door of Anatolia. From Olti also a small column might be expected to advance on Erzeroum. The country farther north may be left out of the question as being too difficult.

From Erivan the Russian advance on Bayazid would probably not meet with much resistance. Owing to their superior organization and the Tiflis-Erivan Railway, the Russians would be able to concentrate far larger forces on the frontier, and far sooner than the Turkish reserves would have had time to mobilize at their centres. And thus at the start it may be expected that the Russians may arrive without difficulty at the Deviboyun defences of Erzeroum, if they do not actually take Erzeroum itself. From Bayazid they would probably push a force down through Dergri and Melangird to secure the Bitlis Pass, thus holding the door of the only other main road to the west. The 5th division of the Turkish 4th Army Corps, garrisoning the Van-Bashkala district, with the reserves drawn from that district, would have to be accounted for, but as they would probably have been sent up towards Bayazid or the Dolibaba Pass, they would have been already dealt with. Out of the six army corps in the Turkish army, with twenty-four divisions of reserves or Redifs, some nineteen mobilize in Asia Minor; thus, if the Russians, arrived at Erzeroum, attempt to advance farther west on Anatolia, the farther west they go the stronger would become the Turkish resistance, even although many of the Redif battalions were required for Constantinople or Europe; also the Ilave battalions in Anatolia might be expected to show more than a mere paper strength.

I will suppose that the Russians have taken Erzeroum and Bitlis, and had cleared the country between Erzeroum and Van, and are advancing west along the Erzingan, Baiburt, and Kharput roads on Sivas, leaving protecting forces on their rear and left flank at Dergri, Van, &c., probably strongly supported on the coast by their Black Sea fleet, and possibly by a force landed at Samsun. To this force the Turks would be able to oppose the 4th Army Corps, and possibly the 5th, from Damascus, with the various Redif and Ilave battalions. The 6th Army Corps from Bagdad and Kirkuk, if sent north, would have to follow the Mosul-Diarbekir-Kharput road to enter the scene of operations, all the country between Mesopotamia and a line joining Diarbekir and Serai being difficult mountainous country and impracticable for a large force and impassable for wheels. Thus the Russians holding Erzeroum, Bitlis, Van, and Bayazid might

consider their rear and flanks safe for an advance on Sivas, leaving a small force to compete with the Hamidieh and any other odds and ends that might be about Bashkala, Serai, &c.

But, and this is the object of this report, would the Russian advance be safe if the 6th Turkish Army Corps could arrive in their rear at Bayazid by an easy road from Kirkuk. I think this possibility would greatly hamper a Russian advance, and this, I suspect, is the object of the Turco-Persian frontier trouble, *i.e.*, for the Turks to obtain a through cart route from Bagdad to Bayazid as a checkmate to Russia.

It has been suggested that the Turkish object is to prevent the Russian railway from coming down south, but I cannot see that the extension south of Erivan would help the Russians much, as they could not send troops down by rail, say, to Urmi, with a weak flank and long line of communication, unless all the difficult country on the frontier was already in their hands; also they would require an enormous force to enable them to do this, and then what object would they have in going south to Mesopotamia among the Arabs when their objective was the Turks in Anatolia? The railway from Tiflis to Kars is offensive, from Alexandropol to Erivan is defensive, while from there on south it is commercial.

From what I can gather, there is an easy cart road from Mosul to Erbil, there is a difficult pass to cross between Erbil and Rania, which with a little labour can be made easy, while from Rania there is a high grassy slope to cross at Vazné, and from there on an easy cart road via Kala Passova to Bayazid. Thus there are only two places where the road would require constructing: the first, at Sirdarian, is in Turkish territory; the second, at Vazné, has now been occupied by the Turkish troops, who have advanced to Kala Passova, where they now have two batteries and thirteen battalions. These troops, I understand, are provisioned from Erbil, so it may be presumed that the road is at least in fair condition. In the Intelligence Office map there is a cart road shown from Keui Sanjak, on the Erbil-Bania road, to Kirkuk, which would be a short cut for the 6th Army Corps.

So now we see the Turks with a good road from Bagdad to Kala Passova all in territory occupied by Turkish troops. The main road from Kala Passova to Bayazid passes through Persian territory by Urmi, Khoi, &c., but I have reason to believe that an easy cart road has been found west of the main road, but still east of what I will call the disputed frontier range, and that this road will pass in territory which is being claimed and is now occupied by the Turkish troops.

Perhaps a short résumé of the history of these events might tend to straighten my argument.

In 1904 plans for an extension of the Russian railway to Julfa were decided on, and a Russian Consul sent to Urmi. This evidently set the Turkish General Staff thinking, with the result that in November 1905 troops were ordered to Vazné without any ostensible reason. In 1906 the Commandant of Van, Mahmoud Pasha, a man who has done all his service on the Russian frontier, and who has mapped the Transcaucasian country, is appointed to command the frontier, and two Staff officers arrive and take charge of affairs on the frontier, which up to then had gone along under a very junior civil official, quietly for Turkey. At the same time I am informed that Staff officers were sent to work with the 6th Army Corps lower down the frontier; all these Staff officers were busily employed exploring and mapping all the frontier district. At the same time Turkish emissaries commence stirring up discontent among the Kurds in the coveted Persian territory near Urmi so as to obtain an excuse to occupy the ground, which was done later in the year. The Turks have now altogether some eighteen battalions in Persian territory, whilst I believe the Persians have one at Maraga.

A Commission has now been formed to inquire into and decide this frontier question. Tahir Pasha, lately Vali of Van and now Vali of Bitlis, is chief of this Commission, and is now at Mergavver making inquiries, and I believe intends to winter at Van, as he has been appointed some 5,000*l.* a-year while on this Commission. From what I know of him there is every reason to believe that the Commission will last a long time. Of the other Turkish members of this Commission already appointed who have arrived at Van, Daniel Pasha, Commandant of the 12th division at Kirkuk, was for some fifteen years Consul at Kars and Tiflis, and may be supposed to know something about the strategic questions on the Russian frontier. Zekki Pasha, Commandant at Mosul, has been attached to the German army. From this it will be seen that the Turkish point of view on this Commission must be strategic and directed against Russia, while were the question only one of the ownership of a small piece of agricultural land or the religion of some of its Kurd inhabitants I do not think it would justify these Commissioners.

I will mention a point which may or may not have significance. In 1906 a German Consul was sent to Mosul; though calling himself plain Herr Anders, I am informed by people that have met him that he is an officer in the German army and has been on the General Staff. He has travelled about all over the country in question, and this year was sent on a special mission to Tehran.

I believe that in the Russian schemes the possibility of the 6th Army Corps taking part in a future war has been ignored, and I know that they have no maps or information of the country round Vazné. They have only just realized what is going on there, and the Russian Consul here, who is also an officer and has been on the Staff, has been told to go down there and look round.

Van, October 1, 1907.

[37859]

No. 246.

Sir N. O'Connor to Sir Edward Grey.—(Received November 18.)

(No. 692. Confidential.)

Sir,

Pera, November 12, 1907.

I HAVE the honour to report that I yesterday renewed my representations to the Sublime Porte in regard to the Turkish aggression on Persian territory. I reminded the Grand Vizier that some weeks ago, when urging his Government to re-establish the *status quo* of July last of its own initiative, I had hinted that if it did not do so the two mediating Powers would feel bound to come forward with other proposals. Reports lately received from the frontier district indicated that the Ottoman troops were consolidating their position, and I felt bound again to warn his Highness of the serious complications which might ensue were the Imperial Government to continue its present aggressive policy.

The Grand Vizier said that he still held by his promise to attempt to combat the obstructive methods of the Palace as soon as the Persian Commissioners arrived, and Tahir Pasha reported their arguments and claims, that the Persians had been vacillating, but had at last decided to send Commissioners, and that on their arrival he would endeavour to have the question settled amicably without the necessity for outside interference, and consequent possible complications. He added that with the approach of winter weather the outlying posts would perforce be withdrawn in a westerly direction, thus, perhaps, facilitating a solution.

I informed you by telegraph yesterday of the substance of his Highness' reply.

In spite of what the Grand Vizier says, I think it well to state to you that I am convinced that nothing short of good evidence of our determination to resort to coercive measures will influence the Ottoman Government in this question to any tangible extent, and I hope that before adopting the definitive attitude involved by such a policy His Majesty's Government will consider what coercive measures are practicable or desirable.

I have, &c.
(Signed) N. R. O'CONOR.

[38101]

No. 247.

Treasury to Foreign Office.—(Received November 18.)

Sir,

Treasury Chambers, November 15, 1907.

THE Lords Commissioners of His Majesty's Treasury have had before them Mr. Mallet's letter of the 31st July last respecting the advance of 300,000*l.* which was made in April 1903 and September 1904, in two instalments of 200,000*l.* and 100,000*l.*, by the Government of India to the Persian Government.

The terms of the advance, which was made through the medium of the Imperial Bank of Persia, were, as my Lords understand, that interest at the rate of 5 per cent. should be paid, and that repayment should be spread over a period of twenty years. Of the interest, 4 per cent. was to be remitted, as received, to the Government of India and the bank was to retain a commission of 1 per cent. for its services. The security consists practically of a lien on the customs of Southern Persia. His Majesty's Government undertook to share with the Government of India in equal moieties any

loss through failure of the Persian Government to meet their obligations in regard to interest or sinking fund on the advances made.

It is stated in the letter under reply that in April last a request was received from the Persian Government for a delay of six months in the payment of the instalment on the loan due on the 5th April in respect of interest and capital, and that, for the reasons mentioned, it was decided, with the concurrence of the India Office, to accede to the request. It is further stated that a request has since been received from the Persian Government for the consent of His Majesty's Government to the suspension of the sinking fund for three years, interest alone being paid, during which period a scheme of reforms is to be introduced into the finances; and with this request Secretary Sir Edward Grey, having obtained the concurrence of the Secretary of State for India, considers it desirable to comply.

In the circumstances represented, my Lords assent to this proposal on the conditions which Sir E. Grey recommends, namely, that the Persian Government agree not to contract any loan with a foreign bank or Government without the option being first given to England and Russia, and that, unless in the meantime some serious effort is made to put the finances of the country in order, His Majesty's Government reserve the right at any time during the next three years to insist on the payment of the arrears due in respect of the sinking fund.

My Lords presume that no claim will be made on the Imperial Exchequer in consequence of the failure of the Persian Government to fulfil their obligations. But they desire to remind the Secretary of State that information as to the advance, and as to the liability which has been incurred in case of loss, has not so far been communicated to Parliament. The situation, indeed, is far from regular, for, though an undertaking has been given to the Government of India involving the tax-payer of this country in a liability for the capital sum of 150,000*l.*, with interest thereon, which Parliament would, no doubt, feel bound to recognize, the guarantee has nevertheless no legal validity, and could only be made valid by a charge on the consolidated fund, for which an Act of Parliament would be necessary. And, in any event, no claim from the Indian Government in respect of the arrangement could be met without a grant from Parliament. My Lords are aware that, for reasons of policy, it was considered essential at the time the advance was made that no publicity should attach to it, and it was for this reason that it was arranged that the whole of the advance should be made by the Government of India. It is also true that no loss need necessarily be incurred by the postponement of the sinking fund payments now contemplated. On the other hand, the present situation, as described in the letter under reply, renders it important, in their Lordship's judgment, to consider whether Parliament should not be informed of the existence of the liability, if this could now be done without prejudice to the public interest, as a very unfortunate impression, and one which Sir E. Grey will agree that it is most desirable to avoid, might be given to the Legislature as to the conduct of the Executive in financial matters if a loss were ultimately incurred, and the liability only then disclosed in order to obtain the means of meeting it.

I am also directed to inquire how the suspension of the interest payment will affect the arrangement with the Bank under which they were to receive 1 per cent. of the interest payment.

My Lords conclude that the present correspondence has no reference to the advance of 200,000*l.*, which it was arranged in 1906 should form part of a loan of 400,000*l.*, to be made jointly by this country, India, and Russia, which was returned this year by the Bank of Persia as not being required by the Persian Government. This point is mentioned in view of the statement at p. 2 of the letter under reply that the consent of the British and Russian Governments has been asked to the suspension of the sinking fund.

I am, &c.
(Signed) G. H. MURRAY.

[38116]

No. 248.

Sir A. Nicolson to Sir Edward Grey.—(Received November 18.)

(No. 244.)

(Telegraphic.) P.

St. Petersburg, November 18, 1907.

M. ISVOLSKY tells me, with reference to the French Financial Adviser in Persia, that he has telegraphed to Paris to hasten the appointment, and he hopes that similar

action will be taken by His Majesty's Government. It is also his desire that the instructions which the French Government propose to give to the Adviser shall be communicated by them to both Governments.

[38117]

No. 249.

Sir A. Nicolson to Sir Edward Grey.—(Received November 18.)

(No. 245.)

(Telegraphic.) P.

St. Petersburg, November 18, 1907.

M. ISVOLSKY spoke to me to-day on the subject of the Turco-Persian frontier, and said that he was uneasy at the position of the question. With regard to attendance of Consuls at sittings of the Commission he had not yet heard from M. Zinovieff, and he could not express an opinion himself. Attitudes of the two Governments would be misunderstood and misinterpreted, he feared, in Persia, and Persian Government might appeal to Germany. He thought it at the same time likely that the Sublime Porte would refuse to entertain any proposal which the two Governments might make. He would be glad, I think, of any suggestion which might offer a prospect of an issue from present dilemma, as he is much puzzled.

[38119]

No. 250.

Mr. Marling to Sir Edward Grey.—(Received November 18.)

(No. 346.)

(Telegraphic.) P.

Tehran, November 18, 1907.

BAKHTIARI affairs.

I have just received the following reply to my telegram to Lorimer, repeated to you in my telegram No. 342 of the 15th November:—

"The Khans' action is certain to become publicly known, and will have a bad influence on the tribesmen.

"The increase of my guard is now in my opinion more necessary than ever, and I recommend as large an increase as possible."

I am asking Lorimer exactly what he thinks necessary for the safety of each camp. With reference to my despatch No. 235 A of the 25th October, sent by bag the 8th November, I venture to recall attention to very special qualifications desired in officers, namely, even temper and sound judgment.

It is just possible that the Khans feel themselves incapable of restraining tribesmen.

With reference to your telegram No. 177 of the 16th November, I believe that it was solely in the hope of ousting Lorimer, whom they find that they cannot trifle with, that the Khans' action was taken, and that the presentation of Lynch's bills, particularly of the bridge bill of 1904, precipitated it. The other complaints are old and frivolous.

[38114]

No. 251.

Mr. Marling to Sir Edward Grey.—(Received November 18.)

(No. 347.)

(Telegraphic.) P.

Tehran, November 18, 1907.

TURKOMAN raid.

His Majesty's Acting Consul-General at Meshed yesterday telegraphed the following:—

"60,000 tomans of the Khorassan revenue are being diverted for military preparations.

"Refugees from Kuchan and Bujnurd, which the Turkomans have attacked, killing and capturing considerable numbers, have arrived in Meshed.

"There is intense indignation against the Khorassan Commander-in-chief."

[1549]

[37821]

No. 252.

Sir Edward Grey to Sir F. Bertie.

(No. 133.)

(Telegraphic.) P.

Foreign Office, November 18, 1907.

FINANCIAL Adviser in Persia. Please see your telegram No. 64 of the 16th instant.

Only text of Article 2 of contract has been received here.

[37559]

No. 253.

Foreign Office to Admiralty.

(Confidential.)

Sir,

Foreign Office, November 18, 1907.

I AM directed by Secretary Sir E. Grey to transmit to you, to be laid before the Lords Commissioners of the Admiralty, copy of correspondence which has passed with the India Office respecting the action which it is proposed should be taken by His Majesty's Government in connection with two acts of piracy committed by Arabs residing at Dayir on the Persian Coast.*

I am also to inclose a copy of telegraphic instructions which has been sent to His Majesty's Chargé d'Affaires at Tehran to make strong representations to the Persian Government with a view to securing the capture and punishment of the offenders,† and full pecuniary reparation for the sufferers in the Koweit case, and to warn them that, failing compliance with these demands, suitable naval action will be taken.

It will be seen that Sir E. Grey is not hopeful as to anything resulting from these representations, and that he therefore considers that no time should be lost by His Majesty's Government in themselves taking the necessary steps in the matter without waiting for any possible action on the part of the Persian Government.

I am accordingly to express the hope that their Lordships will see their way to issue instructions for one of His Majesty's ships to proceed at once to Dayir with the object of effecting a capture at sea. I am further to suggest that the officer in command of the ship in question should be authorized in the event of their being unable to effect a capture at sea, which would be preferable, to land temporarily in Persian territory a force sufficient to capture the pirates and hand them over to the Persian authorities if on arrival at Dayir he should hear that the pirates are in the neighbourhood or at any other place on the Persian littoral at which they may be found.

I am, &c.

(Signed) LOUIS MALLET.

[37559]

No. 254.

Foreign Office to India Office.

Sir,

Foreign Office, November 18, 1907.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 13th instant, relative to acts of piracy committed by inhabitants of Dayir on the Persian Coast.

I am to transmit to you herewith copy of a letter which has been addressed to the Admiralty,‡ asking that one of His Majesty's ships may be held in readiness to proceed at once to Dayir with the object of the capture of the malefactors at sea, as well as the copy of a telegram which has been addressed to His Majesty's Chargé d'Affaires at Tehran,* instructing him to make strong representations to the Persian Government in order that they may take steps to seize and punish these persons, and also to make full pecuniary reparation to the sufferers.

Sir E. Grey presumes that Mr. Secretary Morley will cause the Sheikh of Koweit to be informed of the steps which are being taken by His Majesty's Government in this matter.

I am, &c.

(Signed) LOUIS MALLET.

* Nos. 55, 135, and 233.

† No. 243.

‡ No. 251.

[38230]

No. 255.

Sir N. O'Connor to Sir Edward Grey.—(Received November 19.)

(No. 155.)

(Telegraphic.) P.

Constantinople, November 19, 1907.

I HAVE been in communication with my Russian colleague regarding the request of the Russian Minister for Foreign Affairs for suggestions as regards the Turco-Persian frontier dispute, which is reported in Sir A. Nicolson's telegram No. 245 of yesterday, but I regret that we cannot offer any practical suggestion.

There is some danger that if the Persian Commissioner does not arrive soon Pashir will be recalled, as the situation in Erzeroun, Van, and Bitlis is causing anxiety, but, presuming that they do meet, even if they fail to agree, our position as mediating Powers will be stronger than it is now.

Winter is now approaching, and it will stop any further advance on the part of the Turkish troops, who will probably be concentrated in a few places along the frontier.

The Russian Ambassador has informed his Government, and I share his view, that he thinks the Sultan will refuse to withdraw his troops unless the two Powers threaten to use force, which under present circumstances would be difficult.

[38212]

No. 256.

Mr. Marling to Sir Edward Grey.—(Received November 19.)

(No. 348.)

(Telegraphic.) P.

Tehran, November 19, 1907.

TURKOMAN raid.

Government seems quite incapable of dealing with the situation.

With reference to my telegram No. 347 of the 18th instant, I am informed by Mushir-ed-Dowleh that Sebzewar has been attacked with some success by the Turkomans.

Unknown marauders have also attacked the important village of Keredj, on the Resht road, within 50 miles of Tehran. A force of Cossacks has been dispatched thither.

[38215]

No. 257.

Mr. Marling to Sir Edward Grey.—(Received November 19.)

(No. 349.)

(Telegraphic.) P.

Tehran, November 19, 1907.

IN view of the action of the Bakhtiari Khans, reported in my telegram No. 342 of the 15th instant, I have approved Lorimer's proposal, made with concurrence of Oil Syndicate Manager, to stop the payment of the instalment payable in advance on the 15th instant.

[38117]

No. 258.

Sir Edward Grey to Sir A. Nicolson.

(No. 321.)

(Telegraphic.) P.

Foreign Office, November 19, 1907.

DISPUTE respecting Turco-Persian boundary. Sir N. O'Connor's telegram No. 146 of the 1st instant.

After consideration, His Majesty's Government favour view set forth in above telegram, and which it is stated is shared by M. Zinoviev.

We propose that instructions should be sent to Russian and British Ministers at Tehran to explain confidentially to Shah's Government that probably Porte would refuse at present state of case to allow Consuls to assist at meetings of Commission, alleging that until the Turco-Persian Commission had failed to come to an agreement such a proceeding was not necessary; they should further explain that if we received a rebuff on this minor question, it would tend to weaken any representations which, if the Commission's work is a failure, we may have to make later on.

It is all-important, therefore, that Persia should delay no longer in sending her Commissioner.

To adopt such a course will entail no loss, as military movements and encroachments on the part of Turkey will be rendered impossible by the approach of winter.

[37696]

No. 259.

Sir Edward Grey to Sir A. Nicolson.

(No. 397.)

Sir,

Foreign Office, November 19, 1907.

THE Russian Chargé d'Affaires called at this Office on the 9th instant, and was received by Sir C. Hardinge.

As M. Poklewski began on his own initiative to discuss the situation in Persia, Sir C. Hardinge took the opportunity of telling him that, although His Majesty's Government had heard that a small sum of money was to be advanced to the Shah for his most pressing needs, they could not but feel that, in present circumstances, any assistance, financial or otherwise, given to His Majesty would place him in a very critical position, and, if the fact were discovered, might easily lead to his deposition and assassination.

Sir C. Hardinge reminded M. Poklewski that the Shah now stood alone, his own party having deserted him and taken sides with the National Assembly, who were daily growing stronger. Any external assistance, whether from Russia or England, must therefore necessarily complicate and endanger His Majesty's position.

M. Poklewski expressed his own personal opinion that it was inadvisable to give money to the Shah at the present moment.

I am, &c.
(Signed) E. GREY.

[38248]

No. 260.

India Office to Foreign Office.—(Received November 20.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of inclosures in a letter from the Foreign Secretary to the Government of India, dated the 31st October, relative to the Abu Musa Red Oxide Concession.

India Office, November 19, 1907.

Inclosure 1 in No. 260.

Vice-Consul Gabriel to Government of India.

(Telegraphic.) P.

Henjam, October 23, 1907.

PLEASE see my telegram of the 12th October regarding Abu Musa. I arrived at Sharga on the evening of the 16th October and found that the joint concessionaire, Abdulla-bin-Hassan, had arrived and handed over letter from Wonckhaus, Lingah, to the Sheikh claiming ownership of all oxide accumulated on the beach, and advising him to withdraw notice and to abstain from interference in mine(s), and further threatening to send men to protect their property on the island. Abdulla-bin-Hassan also threatened Sheikh with retaliation by the Germans. Owing to this Sheikh became afraid, and was much inclined to hold back at last, but eventually dispatched four dhows with sixty armed men and two dhows for the conveyance (to) Lingah of workmen, &c.

On arrival at island at noon on the 20th October I landed in advance (of) troops and told representative of concessionaire that, provided he obeyed Sheikh's orders, he had nothing to fear from the troops. After receiving warning from me against use of unnecessary violence force landed. Abdulla-bin-Hassan, joint concessionaire, had previously brought news of notice to island, but no steps had been taken to comply with it. Representative and workmen agreed reluctantly to leave, and began at once to pick and carry property to the beach, but embarkation was delayed

owing to heavy storm until afternoon of the 22nd October. On the night of the 22nd October whole of the concessionaire colony, numbering 100 souls, was dispatched to Lingah in two dhows and huts levelled to the ground. There remain five carts, four loading barges, some hundreds of oxide loading baskets, and other materials, concerning all of which I have communicated to Sheikh that two dhows will be required.

I have instructed Residency Agent to advise Sheikh for the present to maintain a guard of thirty men, and that it is desirable to fly flag in the oxide colony, existing flagstaff being at the further side of the island and flag invisible except in the immediate vicinity.

I left island on the morning of the 23rd after giving final advice to Sheikh's representative regarding disposition of guard to all visitors.

Regarding Wonckhaus' claim to all oxide now on the beach, which I estimate at 500 tons, terms of his contract would seem to show that he does not own oxide until it is delivered on board steamer.

I recommend that, pending the removal of the remaining property, a gun-boat should visit island again as soon as possible. I will send by next mail a detailed Report with a copy of letter which Wonckhaus addressed to the Sheikh.

(Repeated to Major Cox.)

Inclosure 2 in No. 260.

Government of India to Major Cox.

(Telegraphic.) P.

Simla, October 29, 1907.

PLEASE refer to Gabriel's telegram of 23rd October, Abu Musa. Island should be revisited by gun-boat as proposed. You might, if you see no objection, act in spirit of my telegram of 8th April, 1907, and induce Sheikh to permit concessionaire and Wonckhaus to remove oxide collected on beach as well as their other effects if you are approached by them in the matter.

Inclosure 3 in No. 260.

Vice-Consul Gabriel to Government of India.

(Telegraphic.) P.

Henjam, October 28, 1907.

I HAVE received a Report from Lingah that Mr. Brown, local representative of Wonckhaus, accompanied by Abdulla-bin-Hassan and about twenty-six men, sailed for Abu Musa Island on the 22nd October. Mr. Brown took a German flag to place on accumulated oxide. Sheikh's guard were resolute, and refused to allow them to land on island, and they returned to Lingah on 25th October. Mr. Brown now intends proceeding to Bushire to represent his case to the German Government.

(Repeated to Major Cox.)

[38249]

No. 261.

India Office to Foreign Office.—(Received November 20.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 17th instant, relative to the Abu Musa Red Oxide Concession.

India Office, November 19, 1907.

Inclosure in No. 261.

Government of India to Mr. Morley.

(Telegraphic.) P.

November 17, 1907.

PLEASE see my telegram of the 2nd instant as to affairs at Abu Musa.

A copy of the letter from Herr Wonckhaus to the Sheikh of Sharga, dated the 31st October, which was delivered to the Sheikh before concessionnaire's men had been removed from the island, has now reached us. A formal claim by Herr Wonckhaus that Concession and mines are security for advances made by him to the concessionnaire is asserted in the letter. Herr Wonckhaus would apparently have acquired territorial rights in Abu Musa under this claim, if conceded, and there would thus have been a contravention of clause 3 of the Protectorate Treaty which the Chief of Sharga signed on the 7th March, 1892 (see inclosure to our letter of the 7th June, 1892). Papers were dispatched to you by mail of the 7th instant. Resident at Bushire has been informed by His Majesty's Chargé d'Affaires at Tehran that the German Minister has mentioned that Herr Wonckhaus' employés on Abu Musa have been attacked by the Sheikh of Sharga under protection of His Majesty's ship "Lapwing." We have instructed Resident to report fresh facts to the Legation if this has not already been done.

[38250]

No. 262.

Admiralty to Foreign Office.—(Received November 20.)

(Confidential.)

Sir,

Admiralty, November 19, 1907.

WITH reference to your letter of the 18th instant, I am commanded by my Lords Commissioners of the Admiralty to transmit, for the information of the Secretary of State for Foreign Affairs, copy of a telegram, dated to-day, which has been sent to the Commander-in-chief on the East Indies Station.

I am, &c.
(Signed) C. I. THOMAS.

Inclosure in No. 262.

Admiralty to Commander-in-chief, East Indies Station.

(Telegraphic.) P.

Admiralty, November 19, 1907.

BRITISH Minister at Tehran has received instructions from Foreign Office to make representations of a strong nature to Persian Government on subject of two cases of piracy. The pirates were Arabs from Dayir, and the outrages took place in November of last year and January of this year. Persian subjects were the victims in November and Koweitis in January.

Minister will formulate demand to Persian Government that offenders be caught and punished and complete reparation in money be paid to Koweitis. He will add that, if demand is not complied with, His Majesty's Government will resort to naval action in order to capture and hand over to Persian authorities the pirates in question.

Foreign Office are of opinion that representations will not have desired effect, and that, without therefore waiting for action on part of Persian Government, necessary steps should be taken by naval force. His Majesty's ship "Highflyer" should accordingly be dispatched immediately to Dayir in order, if possible, to seize the pirates while at sea. If this cannot be done, authority should be given to her Commander to land, as a temporary measure, in Persian territory a force of men sufficient to secure pirates. The latter should then be surrendered at Dayir, or any other place where Persian authorities are to be met with on the littoral of Persia.

The Commander should not, however, send men into the interior.

[38327]

No. 263.

Sir N. O'Connor to Sir Edward Grey.—(Received November 20.)

(No. 156.)

(Telegraphic.) P.

Constantinople, November 20, 1907.

TURCO-PERSIAN frontier.

Following received from Mr. Wratislaw, No. 27, dated the 15th instant:—

"With reference to my telegram No. 20 of the 17th October, the Turks under a certain Omer Effendi are undoubtedly in the town of Ushnu. The Russian officer, who has now arrived, wished to visit the town on his way here, but was deterred by the unfriendly attitude of the Kurds. The Russian officer finds the weather altogether too severe to carry out his instructions, which, he says, are to survey the frontier between here and Khoi."

[38297]

No. 264.

Mr. Marling to Sir Edward Grey.—(Received November 20.)

(No. 350.)

(Telegraphic.) P.

Tehran, November 20, 1907.

FRENCH Financial Adviser.

The complete text was telegraphed on the 15th November by the French Minister.

Reference is to Sir F. Bertie's telegram No. 64 of the 16th November.

[38326]

No. 265.

Mr. Marling to Sir Edward Grey.—(Received November 20.)

(No. 351.)

(Telegraphic.) P.

Tehran, November 20, 1907.

PLEASE refer to Sir A. Nicolson's despatch No. 487, respecting the Russian telegraph staff on the section from Khaf to Seistan, in Confidential Print Section of the 30th September.

Total European staff is shown by a report, giving names and posts from His Majesty's Consul at Seistan, to be twice as many as was notified by Russian Minister for Foreign Affairs to Sir A. Nicolson. Major Kennion's figures are two inspectors, two sub-inspectors, and two signallers, in addition to gholams, &c.

Will report particulars by next messenger.

[38329]

No. 266.

Mr. Marling to Sir Edward Grey.—(Received November 20.)

(No. 352.)

(Telegraphic.) P.

Tehran, November 20, 1907.

MY telegram No. 347 of the 18th instant, repeating Meshed telegram No. 63 of the 17th instant.

Acting Consul-General telegraphs to-day as follows:—

"(No. 64.)

"Reports contained in my immediately preceding telegram respecting Turkoman raid were telegraphed by Russian Agents in Kuchan and Shirwan. They now appear to be fabrications, and have been officially denied."

Affair at Keredj, mentioned in my telegram No. 348 of the 19th instant, appears to have been insignificant.

[38330]

No. 267.

Mr. Marling to Sir Edward Grey.—(Received November 20.)

(No. 353.)

(Telegraphic.) P.

Tehran, November 20, 1907.

I HAVE handed in note respecting situation in Bakhtiari country, as instructed by your telegram No. 177 of the 18th instant. Promise to take energetic measures was obtained from Minister for Foreign Affairs.

His Excellency has telegraphed to the Chiefs, holding them responsible for the safety of British lives and property and for the fulfilment of their engagements.

Again to-day I spoke to him in the strongest terms, saying that the greatest importance was attached to both enterprises by His Majesty's Government, who would be prepared to take any steps to afford them protection. Beyond this I did not hint that there is question of sending guards.

Mushir-ul-Mulk will again telegraph, and get Minister of the Interior to repeat his instructions.

The extent of the Persian Government's influence over the Khans is doubtful, but I am confident they will do what they can.

Steps will be taken to have telegraph line to Ahwaz repaired.

[38331]

No. 268.

Mr. Marling to Sir Edward Grey.—(Received November 20.)

(No. 354.)

(Telegraphic.) P.

Tehran, November 20, 1907.

FRONTIER. It is proposed to give some administrative powers in Urumia districts to Persian Commissioner, who, I am informed by Minister for Foreign Affairs, should reach Urumia in a week.

[38332]

No. 269.

Mr. Marling to Sir Edward Grey.—(Received November 20.)

(No. 355.)

(Telegraphic.) P.

Tehran, November 20, 1907.

GENERAL situation.

I am informed by Minister for Foreign Affairs that situation in Khorassan is not so serious as described. He added that rifles and ammunition are being supplied from Tehran, and that 700 sowars have been dispatched against Turcoman raiders.

Formation of a gendarmerie force to restore order in provinces and maintain it in capital has been decided on by Government.

Beyond reappearance of a band of fifty brigands on Ispahan-Shiraz road, general state of country no worse.

[38430]

No. 270.

India Office to Foreign Office.—(Received November 21.)

Sir,

India Office, November 20, 1907.

I AM directed to acknowledge the receipt of your letter of the 9th instant as to the proposals of Messrs. Ellinger and Co. to form a Company for exploiting the deposits of red oxide of iron on the Island of Ormuz under the Concession granted by the Persian Government to the Moin-ut-Tajar.

In reply, I am to state that Mr. Secretary Morley, in view of the advantage of the exploitation being in the hands of a Company under British control, agrees with the Secretary of State for Foreign Affairs that Messrs. Ellinger's request should be, as far as possible, complied with. It is assumed that the character and nationality of the debenture holders, whose Trustees are to have either a majority on the Board or a veto on the transfer of ordinary shares, will be satisfactorily established.

As regards the assurances requested by Messrs. Ellinger, Mr. Morley agrees in the views expressed by Sir E. Grey as to Nos. 1, 2, and 3.

As regards Nos. 4 and 5, Mr. Morley agrees entirely in the view that His

Majesty's Consul at Bunder Abbas should not be placed under any special obligation to the Company, who should have their own agent on the spot. Similar considerations appear to apply, though in a less degree, to No. 4, viz., the employment of the Assistant Oriental Secretary to His Majesty's Legation as paid agent of the Company at Tehran. But this point is one which Mr. Morley would leave to Sir E. Grey's decision.

I am, &c.
(Signed) A. GODLEY.

[38405]

No. 271.

Sir Edward Grey to Mr. Marling.

(No. 182.)

(Telegraphic.) P.

Foreign Office, November 21, 1907.

CONSULAR guard at Ahwaz was mentioned in your telegram to Mr. Mallet of yesterday's date.

Consul-General at Bushire only mentions two camps, and recommended two British officers and twenty men.

We are requesting Government of India to send these numbers, and they are ready to give effect to our request.

It would require a larger force than it is possible for us to send if we intended to secure that work should be carried on at five separate camps.

Our present object is twofold: firstly, to protect British persons, who could, if threatened with danger, concentrate in one or two camps; secondly, to prevent the whole undertaking from being abandoned.

[38429]

No. 272.

Sir Edward Grey to Mr. Marling.

(No. 183.)

(Telegraphic.) P.

Foreign Office, November 21, 1907.

PURSUIT of pirates from Dayir. See my telegram No. 178 of the 16th instant.

His Majesty's ship "Highflyer" is reported to have started for Henjam from Bombay.

[37564]

No. 273.

Sir Edward Grey to Mr. Marling.

(No. 193.)

Sir,

Foreign Office, November 21, 1907.

THE Persian Chargé d'Affaires called at the Foreign Office on the 11th instant, and made a statement to the following effect:—

The Turkish aggressions on Persian territory were daily increasing; they had not observed the frontier *status quo*, nor even the line which they claimed as defining their ancient boundaries; the Commission appointed last year had led to no tangible result; a few days ago another Commission was dispatched to the frontier; but the Turks were not only encroaching upon Persian territory, they were also inciting the Sunni tribes of Persia to murder and pillage.

In these circumstances the Persian Government found themselves on the horns of a dilemma; if, on the one hand, they were to dispatch a punitive force against the rebels, the proximity of the Ottoman troops would afford the Turkish Government a pretext for the commencement of hostilities; while if, on the other hand, they were to remain inactive, there was reason to fear that the proceedings of the rebellious tribes would create an agitation of such dimensions among the frontier inhabitants and in the adjacent provinces as to give rise to unexpected difficulties such as it would be impossible to combat.

If indeed, as he firmly trusted would not be the case, the disturbances were to assume a religious character, the untoward effects would be an extension of the unrest to districts remote from the scene of the Turkish encroachments, which would perforce result in complications of a more serious nature.

[1549]

In view of the fact that His Majesty's Government and the Russian Government had from the first co-operated with the Persian Government in this matter, and that the continuance of the existing situation and delay in arriving at a settlement of the dispute might remove the question from the category of a frontier quarrel, Meddi Khan had received urgent instructions to impress upon His Majesty's Government these considerations, and to ascertain their views on the state of affairs which had now been reached, and which, moreover, was one of increasing difficulty. He was further to inquire as to the nature of the friendly steps which they had already taken, and which they might yet contemplate, and he was to lose no time in telegraphing to his Government on the subject.

Mehdi Khan was informed in reply, that as the Persian Commissioner must by this time have nearly arrived at the frontier, it would seem advisable to await the result of the labours of the Commission.

The dispatch of Persian troops to the scene of disturbance was, in the opinion of His Majesty's Government, most undesirable, and for the time being they could only recommend the exercise of patience.

In the meantime His Majesty's Ambassador at Constantinople would not lose sight of the question, and would use all his influence with the Ottoman Government in the direction of a settlement.

I am, &c.
(Signed) E. GREY.

[36777]

No. 274.

Foreign Office to Treasury.

Sir, *Foreign Office, November 21, 1907.*

I LAID before Secretary Sir E. Grey your letter of the 6th instant relative to the proposed increase of the Consular guards at Ispahan and Ahwaz.

With regard to Ispahan, I am to state, for the information of the Lords Commissioners of His Majesty's Treasury, that Sir E. Grey considers the proposed increase to be necessary for the protection of the Consulate and Consular staff, and that, in view of the fact that their Lordships sanction the proposal subject to this condition, he has requested the Secretary of State for India to take the necessary steps to send the reinforcements.

With regard to Ahwaz, I am to transmit copies of further telegrams from His Majesty's Consul at that place showing that the proposed increase is urgently required.*

I am also to inclose copy of a further letter from the India Office,† from which it will be seen that the Government of India now propose to send an infantry guard with eight mounted men instead of cavalry, which would reduce the expenditure from 533*l.* 6*s.* 8*d.* to 266*l.* 13*s.* 4*d.* initial, and from 1,920*l.* per annum to 1,824*l.* per annum recurring.

Sir E. Grey has throughout the present disturbed state of affairs in Persia declined to adopt the policy of sending expeditions inland for the protection of British subjects, and has caused the latter to be warned that in case of danger they must proceed to the coast.

It is not denied that the principal object of increasing the Ahwaz guard is to protect the lives of the employés and the property of the Oil Syndicate, but the case appears to Sir E. Grey to be exceptional.

Ahwaz is easily accessible from the river, and a small expenditure, half of which will be borne by the Government of India, will, it is hoped, prevent the total abandonment of an important British enterprise, with the great loss of British prestige throughout Persia which it would entail.

In view of the above considerations, I am to express the earnest hope that their Lordships will reconsider their decision and sanction half the expenditure incurred in the dispatch of the guards and their maintenance for a period of six months.

I am, &c.
(Signed) LOUIS MALLET.

* Nos. 240, 241, and 250.

† No. 230.

38684]

No. 278*.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 14. Commercial.)

Sir,

I HAVE the honour to transmit herewith, with reference to your despatch No. 9, Commercial, of the 21st ultimo, copy of a Memorandum prepared by Mr. Loraine on the subject of German shipping competition in the Persian Gulf.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure in No. 278*.

Memorandum by Mr. Loraine respecting the Hamburg-America Steam-ship Line to the Persian Gulf.

(Foreign Office despatch No. 9, Commercial, of September 21, 1907.)

THE competition of the German Line in the Persian Gulf has so far, I believe, been distinctly healthy, if regarded from the point of view of the general interests of trade as opposed to the particular interests of individual Shipping Companies.

The three British Steam-ship Companies operating in the Persian Gulf had formed a sort of combine, which enabled them to maintain their rates of freight at whatever figure they pleased, the monopoly they until recently enjoyed giving them complete control.

The result was that they attained considerable unpopularity, and, on the advent of the Germans, there were—certainly in Bussorah, and probably in other ports in the Gulf—plenty of firms who were only too ready to give the new-comers a trial. As reported by Sir William Ward, even the fear of outside competition, particularly in view of the reputation for commercial efficiency possessed by their rivals, brought about an immediate and sensible reduction in their rates.

The British Companies have now had a good shaking up; they have seen efficiency and cheap rates reaping their due reward. If they meet the competition in the right spirit, and make a serious effort to bring their service and their rates more into line with the requirements of the firms with whom they have to deal, their novel experience will do them no end of good. It is perfectly true that the German Line is subsidized by its Government, though I fancy that the extent of the subsidy is often exaggerated. But there is in this no reason for sitting down under their competition and persisting in the old system, which can, as the Germans have conclusively shown, be improved upon.

The German ships have, it appears, no difficulty whatever in getting cargoes for Europe; the difficulty is to get an out-going cargo, and in order to supply the want the Hamburg-America Line has, so I was informed at Bussorah, been compelled, on more than one occasion, to purchase a cargo and sell in the Gulf on their own account and for what they could get, naturally at a loss.

That the Germans have effected a lodgment in the Gulf is undeniable; that they will maintain it is probable. If, however, the competition is met in the right way there is absolutely no reason why it should prove detrimental to British trade.

I have, &c.
(Signed) PERCY L. LORAINÉ.

Tehran, October 22, 1907.

[1549]

[38522]

No. 275.

Mr. Marling to Sir Edward Grey.—(Received November 22.)

(No. 356.)

(Telegraphic.) P.

Tehran, November 22, 1907.

ONE man was killed yesterday in a riot which threatened to become serious, but was successfully put down. It was produced by a quarrel between men of a Persian regiment and Cossacks arising from a brawl in a brothel.

[37564]

No. 276.

Sir Edward Grey to Mr. Marling.

(No. 194.)

Sir,

Foreign Office, November 22, 1907.

IN the course of the conversation with the Persian Chargé d'Affaires which formed the subject of my despatch No. 193 of the 21st instant, reference was made to the disturbed state of Persia generally, and especially of the neighbourhood of Ahwaz. It was pointed out to him that the unrest in the latter district was a source of great concern to His Majesty's Government on account of the presence there of British subjects in the service of the Oil Syndicate.

Mehdi Khan promised to draw the attention of the Persian Government to the state of affairs.

I am, &c.
(Signed) E. GREY.

[37452]

No. 277.

Foreign Office to India Office.

Sir,

Foreign Office, November 22, 1907.

WITH reference to your letter of the 12th instant, relative to the proposed increase of the Ahwaz guard, I am directed by Secretary Sir E. Grey to transmit to you herewith, to be laid before Mr. Secretary Morley, copy of a telegram on the subject from His Majesty's Chargé d'Affaires at Tehran, together with the reply which has been returned.*

I am to inform you that Sir E. Grey concurs in the proposal of the Government of India to send twenty men, eight of whom are to be mounted, and two British officers, at an initial cost of 4,000 rupees and a recurring cost of 2,280 rupees per mensem, and that half of the expenditure incurred will be borne by British funds.

I am to request that instructions may be given to the Government of India for the immediate dispatch of this force to Ahwaz.

It is understood that the period for which this force is to be kept at Ahwaz shall be strictly limited to six months.

I am, &c.
(Signed) LOUIS MALLET.

[36777]

No. 278.

Foreign Office to India Office.

Sir,

Foreign Office, November 23, 1907.

WITH reference to your letter of the 18th ultimo, relative to the proposed increase of the Consular guard at Ispahan, I am directed by Secretary Sir E. Grey to state that he concurs in the proposal of the Government of India to dispatch at once, via Bushire, to Ispahan twelve additional men, and to defer the relief of the present men until the spring.

I am to request that Mr. Secretary Morley may issue the necessary instructions in the matter.

I am, &c.
(Signed) LOUIS MALLET.

[38666]

No. 279.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 235 A.)

Sir,

Tehran, October 25, 1907.

IN continuation of my despatch No. 209 of the 13th ultimo, I have the honour to transmit herewith copy of a despatch from His Majesty's Vice-Consul for Arabistan, containing certain recommendations for the provision of guards to protect the employés of the Oil Syndicate.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure in No. 279.

Vice-Consul Lorimer to Sir C. Spring-Rice.

(No. 76. Confidential.)

Sir,

Ispahan, September 14, 1907.

1 I HAVE the honour to refer to your telegram of the 13th instant and to my telegram No. 39 of the same date, in the latter of which I am not sure that I made myself quite clear.

2. With the principle of supplying what might be described as body-guards for the British subjects at the scenes of the Syndicate's works I am in thorough accord. It may annoy the Khans, but it will frighten them, and have a good moral effect in general in demonstrating that we are in earnest, and prepared to take practical measures to secure the safety of our subjects.

3. The difficulties are that my present guards' time expires in October, and their relief has been announced for the latter half of November. The relief can only take place at Ahwaz, and it would be unwise to formally initiate the scheme of resident guards at Batwand and elsewhere, when it would almost immediately be necessary to withdraw them for several weeks. Also any arrangement which would tend to delay the departure of the outgoing guard might lead to some trouble with them.

Horses cannot be obtained in Arabistan, but unmounted men would always be of use for the purposes of the scheme.

4. These, however, are comparatively trifles; the important point is that, in my opinion, it would be quite impossible to locate Indian sowars at the Oilworks without a suitable British officer in charge of them. The position might be delicate, and a certain degree of judgment and tact would be necessary. Further, the sowars themselves would probably get out of hand, having no one of authority or experience over them; and again, if there were no one to attend to them on the spot, the sowars' affairs, accounts, &c., would get into hopeless confusion.

These considerations would apply with augmented force to the relieving guards, whose character is an unknown quantity, and whose ignorance of the language, country, and people would constitute an additional danger.

It would be quite impossible for me to stay permanently at Batwand, and therefore, if the experiment is to be made, I think a special British officer should be provided. He could be called a Consular Assistant, and he would gain an experience of Bakhtiari affairs which would bridge the hiatus that under present circumstances seems likely to occur when I go on leave. In case the question of the selection of an officer should arise, the qualities which should be specially sought for are a sound judgment and an even temper.

5. On the Batwand side the Syndicate have, I think, three camps scattered along a line of 16 miles, and it would probably be necessary to provide detachments for each. The scene of operations on the Mamatain side is comparatively concentrated.

The numbers suggested in my telegram would, I think, suffice to produce the moral impression which is the object in view.

To prevent offences against property and to guarantee the safety of every native employé would of course be a perfectly different thing, and might require a large force.

6. A step like that contemplated would probably have a sobering effect on the Khans, and bring them to accept any terms proposed; but such acceptance would be no more to be relied on than the promises they have lavished on us in the past.

It is probable at the same time that they would raise some outcry, and I presume that in case of their appealing to Tehran you would be prepared either to carry the authorities there along with you or to defy them. We only desire to provide for the safety of the lives and persons of British subjects, and a strong claim could be based on the analogy of the Consular guards, of which these guards would in fact be a part.

I have, &c.
(Signed) D. L. R. LORIMER,
Captain, Indian Army.

[38667]

No. 280.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 236.)

Sir,

Tehran, October 21, 1907.

I HAVE the honour to transmit herewith copy of the note which, in accordance with your telegram No. 137 of the 11th instant, I have addressed to the Persian Government respecting the non-payment of the interest on the British Loan of 1903-4, and reminding them that no reply had yet been given to the conditions His Majesty's Government attached to assenting to the request of Persia for the temporary suspension of the sinking fund of that loan.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure in No. 280.

Mr. Marling to Ala-es-Sultaneh.

Your Highness,

Tehran, October 15, 1907.

AS your Highness is well aware, the annual payments for interest and sinking fund of the loans made by His Majesty's Government to that of Persia in 1903 and 1904 are secured, in case of insufficiency of the revenues of the Caspian Sea fisheries and of the posts and telegraphs, on the revenues of the Imperial Customs of Fars and the Persian Gulf. No payment on this account has, however, been made this year. It is therefore legitimate to conclude, and His Majesty's Government have indeed good reason to believe, that the above-mentioned revenues have been applied to other purposes. I have consequently received instructions from my Government to request your Highness to inform me what satisfactory reasons the Persian Government can adduce for diverting to other purposes revenues which have been formally pledged for the service of the British Loan.

I am directed further to remind your Highness of the conditions which His Majesty's Government have attached to giving their assent to the request of the Persian Government for the temporary suspension of the sinking fund of the loan in question. Those conditions, which were communicated to your Highness in Sir C. Spring-Rice's note of the 31st August last, are, it must be admitted, exceedingly lenient; they imposed no new burdens on the Persian Treasury, and are in fact even more moderate than common prudence in a business transaction of the same kind between private persons would dictate. It might therefore have been expected that they would be accepted with alacrity. The mere fact of the request should naturally connote the most scrupulous regularity in the payment of the interest, and it is therefore a matter of concern to His Majesty's Government that their forbearance in the matter of the sinking fund has not met with the recognition it deserves.

I have the honour to request that your Highness will inform me without delay what reply I am to communicate to His Majesty's Government.

I have, &c.
(Signed) CHARLES M. MARLING.

[38668]

No. 281.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 237.)

Sir,

Tehran, November 1, 1907.

HAVING learnt from His Majesty's Consul at Kermanshah that the town was again in a serious state of disorder, shots having repeatedly passed over the Consulate to the danger of its inmates, I called on the Prime Minister to request that measures might be taken to restore order. It seemed clear, I said, from Captain Haworth's report that the originators of these disturbances desired merely to prevent the return of Seif-ed-Dowleh, the Governor whose incapacity had resulted in the events which led to a large number of persons taking bast in His Majesty's Consulate in June last, and in shots being fired on the building. I reminded his Excellency that, at the demand of the Legation, Seif-ed-Dowleh had made an official apology to Captain Haworth and had further been recalled to Tehran, and said that in the circumstances I could not understand how the Persian Government could dream of sending him back to Kermanshah, and if the intention were persisted in I must regard it as a distinctly unfriendly act towards His Majesty's Government.

His Excellency said that the proposal originated with the Assembly. A party of Kermanshahis had come to Tehran to claim compensation from Seif-ed-Dowleh for losses caused to them when a part of the town was looted. The Assembly did not know how to deal with the question, and when Seif-ed-Dowleh promised to settle the claims, provided he were allowed to return to Kermanshah, his offer was accepted. He demurred to my statement that Seif-ed-Dowleh was recalled at the request of the Legation; he had been commissioned to escort Salar-ed-Dowleh to the capital. I said that I had a clear recollection that the demand had been made verbally, and though the Persian Government might have taken the above method of evading formal compliance with it, it made no difference to my view of the proposal that Seif-ed-Dowleh should return.

His Excellency promised to do what he could to prevent it, and a few days later informed me that the intention was abandoned.

I have, &c.

(Signed) CHARLES M. MARLING.

[38669]

No. 282.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 238.)

Sir,

Tehran, November 1, 1907.

I HAVE the honour to transmit to you herewith copy of a Memorandum addressed to me by Mr. Barker, the Director of the Persian section of the Indo-European Telegraph Department, on the subject of the recovery from the Persian Government of various expenses incurred by the Department in the construction and maintenance of the telegraph line from Kashan to the Beluchistan frontier via Yezd and Kerman, provided for in the Treaty signed by Sir A. Hardinge on the 16th August, 1901 (see Sir A. Hardinge's despatch No. 11, Treaty, of the 17th August, 1901) and completed on the 1st July of this year.

I also transmit copy of a letter dated the 5th April, 1904, from his Excellency Mukhber-ed-Dowleh, at that time Minister of Telegraphs, which should be read as complementary to the above-mentioned Treaty.

I further transmit a lucid and exhaustive Memorandum by Mr. Vansittart, dealing in particular with the points raised by Mr. Barker, and in general with the prospects and validity of the Indo-European Telegraph Department's claims, and with the double aspect of their possible bearing on the question of the renewal of those telegraph contracts which expire in 1925.

I would venture to suggest that, should you think fit, the last-named document might be communicated to Mr. Kirk.

As Mr. Vansittart suggests in his Memorandum, it will probably be advisable to treat these questions in conjunction with the question of the renewal of the Concessions; it is impossible to say when a favourable moment for opening the latter question may arise, but the earliest opportunity that I can foresee would seem to be when we have succeeded in obtaining some tangible result in favour of Persia in the Urumia frontier

dispute. Should this happen, as I hope it may in the early part of next year, I should with your concurrence and that of the India Office, propose to open the question then, unless an earlier opportunity should present itself.

I have, &c.

(Signed) CHARLES M. MARLING.

Inclosure 1 in No. 282.

Memorandum by Mr. Barker.

THE Director-in-Chief refers me to the final paragraph of the Mukhber-ed-Dowleh's letter dated the 5th April, 1904, to the address of Sir A. Hardinge, a translation of which was sent to me by Mr. Lindsay on the 9th idem, from which it would appear that the rents of buildings occupied for the purposes of the Central Persia line should be charged to the Persian Government, and asked if I am obtaining the previous approval of the Minister of Telegraphs to the rents of such houses as we occupy, as requested in the same letter.

At the date of the Mukhber-ed-Dowleh's letter the houses we rent on the Central Persia line, with the exception of that at Ardistan, were already occupied. The Mukhber-ed-Dowleh, in several interviews I had with him prior to the date of his letter, was informed of what had taken place up to then, and expressed his verbal approval of what had been done. In June 1904 I went on leave and shortly afterwards the house at Kerman was, with the approval of the Persian Government, purchased.

The house at Ardistan was taken at the end of 1904, but I am unable to say if the Mukhber-ed-Dowleh's consent to it was received. We continue to occupy the same houses as we originally took, though the rent has in the cases of Nain, Anar and Bam since been enhanced without the consent of the Minister of Telegraphs being asked.

Article VI of the Convention of 1902 stipulates that, pending further arrangements to be agreed upon by the Governments of the United Kingdom and Persia, there shall only be one office between Kerman and the Indian frontier. We have been in the occupation of two since May 1904, though only one of the two, Dehaneh Baghi, 70 miles from the frontier, is the residence of British subjects; the other, Bam, is occupied by an Armenian, a Persian subject.

The Article further stipulates that the telegraph stations shall be built according to plans approved by the Persian Government, and in towns the houses to be used as such stations shall, wherever possible, be rented.

Up to this, with the exception of temporary shelter huts at Dehaneh Baghi, no stations have been built though plans have been prepared, and, as mentioned in the Mukhber-ed-Dowleh's letter, were approved by him. As stated above, one house was bought, the rest are rented. Houses are rented at Nain, Yezd, Anar, Ardistan, and Bam.

Although the Mukhber-ed-Dowleh states that the cost of building, and the purchase and rent of houses is chargeable to the Persian Government, no recovery of such charges has yet been made from them, the rent of houses occupied as telegraph offices, or as telegraph offices and quarters combined, has been defrayed departmentally, and the rent of such other houses as have been occupied as residences only has been defrayed privately by the occupants of them out of allowances provided by Government in lieu of free quarters. The question therefore arises, is this recovery to be effected and how, and is the cost of the private residences to be recovered as well as the cost of the stations?

Neither has the cost of the house purchased at Kerman for 75,000 krans yet been recovered.

It was, at the date of purchase proposed that this sum should be added to the capital cost of the Central Persia Telegraph Line, and the amount recovered in the same manner as the cost of the line is to be recovered, but, if this is done we shall, under Article IV, have to pay 4 per cent. on the amount to the Persian Government which will be the same thing as paying an annual rent of 3,000 krans for the use of a house which, by the Mukhber-ed-Dowleh's letter, is probably chargeable to the Persian Government. It does not seem desirable to admit this proposal.

In Article II it states that the British Government is to advance to the Persian Government the salaries and allowances of the men actually employed on the work.

The aggregate of these salaries will approach 10,000l. It cannot surely be intended

that the British Government shall pay 4 per cent. on this sum. How, then, is this sum to be recovered?

It is rather strange that we have committed ourselves to the payment of 4 per cent. on the cost of the wire put up for the use of the Persian Government from Tehran to the frontier under Articles VII and X, from which expenditure we shall derive no benefit.

A considerable sum is annually paid to the Minister of Telegraphs for the terminal messages mentioned in the first sentence of Article IX, and collections by the Department on his behalf are made for local traffic in Roman characters, mentioned in Article VIII; these and the Jask royalty are the only payments by us to Persia that I have any knowledge, and by deduction from which recovery could gradually be made.

(Signed) R. C. BARKER, *Director,*
Persian Section.

Tehran, October 12, 1907.

Inclosure 2 in No. 282.

Mukhber-ed-Dowleh to Mr. Marling.

(Translation.)

April 5, 1904.

WITH regard to the buildings and residence for the use of the Telegraph Department and the telegraphists which have been the subject of negotiation for some time past, and which the Indo-European Telegraph Department intend to get built wherever necessary according to the maps and plans already seen, and in conformity with the local circumstances, I have the honour to state that, in accordance with the maps and Article VI of the Anglo-Persian Convention, I approve that the English Telegraph Department should, in accordance with the local circumstances, either purchase sufficient sites and build on them, or buy ready-made houses, or content themselves with hired houses wherever it is suitable, and such houses are found, in accordance with the stipulations of Article VI of the Convention.

Wherever they build buildings, or purchase houses, or hire them, a statement of the cost, value, or the rate of the rent must be sent to me beforehand for approval, and a statement of the same must be made clear (when the business is finished), and the amount charged in the Persian Government account in accordance with the arrangements made in connection with the extension of the Kerman-Baluchistan line.

Inclosure 3 in No. 282.

MEMORANDUM by Mr. Vansittart on the Question of the Renewal of the Telegraph Contracts which expire in 1925, as affected by the Claims of the Indo-European Telegraph Department in respect of the Kashan-Beluchistan Line.

RENT and purchase of premises at present occupied by the Indo-European Telegraph Department.

In paragraph 7 of his Memorandum Mr. Barker asks whether the rent of private houses can be claimed from the Persian Government, as well as that of offices or of offices and quarters combined.

Under reserve of the flaws in the claims hereafter dealt with the answer to this question appears to be in the affirmative. The first sentence of Mukhber-ed-Dowleh's letter of the 5th April, 1904, to the Legation expressly mentions "the buildings and residence for the use of the Telegraph Department and the telegraphists." The first paragraph of Article VI of the 16th August, 1901, could, moreover, possibly be held to imply the intention.

But Mr. Barker states in paragraph 2 that, at the date of Mukhber-ed-Dowleh's letter (stipulating that all arrangements respecting construction, purchase, or hire of accommodation must be submitted beforehand by the Department to the Persian Government) the houses rented on the Central Persia Line, with the exception of that at Ardistan, were already occupied. Mr. Barker says that Mukhber-ed-Dowleh expressed his verbal approval of what had taken place up till then. This is not sufficient; and no written approval was ever obtained. It is, otherwise, in the case of the purchase of the house at Kerman in 1904 for the sum of 75,000 krans (see para-

graph 2 of Mr. Barker's Memorandum). For this Mr. Barker has informed the Legation that a written approval was granted.

It must, however, be stated at once that this is the only absolutely sound point in the Department's claims.

As mentioned above no written authorization was obtained on account of the premises already occupied; nor for the subsequently rented house at Ardistan (paragraph 3); nor for the enhanced rent at Nain, Anar, and Bam.

Thus failure to comply with even the stipulations of the slender documentary evidence on which the claims for recovery can be based tends to make their evasion easy for the Persian Government, who need no encouragement.

2. The same objection can be held to the establishment of the offices between Kerman and the Indian frontier, mentioned in paragraph 4 of M. Barker's Memorandum.

Article VI of the Treaty of 1901 expressly states that "pending further arrangements" there shall be only one office between Kerman and the Indian frontier. The Department have had two since May, 1904. But no "further arrangements" were made, and no authorization obtained. The nationality of the occupant at Bam (paragraph 4) is immaterial.

The best that can be said is that the Persian Government must have been aware of the existence of the second office; and, as they have never protested, its existence might be justified by a not very ancient prescription.

3. With regard to constructions, the shelter huts at Dehaneh Baghi are at present alone of their kind. But Mukhber-ed-Dowleh was not consulted respecting their erection. A Firman has, however, been more than once applied for; but the applications have been left unanswered.

It would therefore seem that all these claims for recovery, with the exception of that on account of the house at Kerman can be impugned, if the Persian Government so desired. In their present financial straits it may be presumed that they will so desire.

But there is an even greater flaw in the claim.

4. In his 7th paragraph Mr. Barker says: "The Mukhber-ed-Dowleh states that the cost of building and the purchase and rent of houses is chargeable to the Persian Government."

Whether by an oversight in drafting or intentionally, there is nothing to indicate this contention in the Treaty.

It is true that, in his letter of the 5th April, 1904, Mukhber-ed-Dowleh says that, "wherever they build buildings or purchase houses, or hire them, a statement of the cost, value, or the rate of the rent must be sent to me beforehand for approval, and a statement of the same must be made clear (when the business is finished) and the amount charged in the Persian Government account in accordance with the arrangements made, &c."

It will be open to the Persian Government to object that no such arrangements were made in the Treaty, and that they will not be bound by the letter of a temporary "farmer" of the telegraphs. At best these words might be held to put the Department right prospectively with regard to such plans and maps as they shall submit. It will be doubly difficult to give them a retrospective effect when the conditions of assent have not been complied with.

The above considerations may seem to "chercher midi à quatorze heures" and to anticipate troubles that may not arise. It is well, however, to be prepared for them.

5. Method of recovery.—(a.) In paragraph 9 Mr. Barker says that it does not seem desirable to admit that the cost of the house at Kerman should be added to the capital cost of the Central Persia line, as the Department would then, under Article IV of the Treaty, have to pay 4 per cent. on the amount to the Persian Government.

This is certainly true, and it would therefore be well to advance the claim independently of Article IV. It would then have to be based on the written approval obtained for it and on the Mukhber's letter of the 5th April, 1904, which makes no mention of 4 per cent.; but, in practice, it will be very hard to argue that the Mukhber's letter is something outside the Treaty.

(b.) The largest sum at stake is, however, that of 10,000/ on account of salaries and allowances of the men employed in the construction of the line. Mr. Barker says that it cannot be intended that His Majesty's Government shall pay 4 per cent. on this sum. If this is so, it will have to be attempted to base the claim on Article 11 of the

Treaty, which stipulates that His Majesty's Government shall advance to the Persian Government the salaries and allowances of the men actually employed on the work, yet makes no mention of 4 per cent. It would, however, be too much to expect that the Persian Government will assent to such an argument.

Thus the alternative course suggested will, both for (a) and (b), present serious difficulties and points that it may be difficult to turn.

(c.) In his last paragraph Mr. Barker considers the methods of recovery that might be employed if the Persian Government cannot otherwise be induced, or are unable, to pay up. To these could be added the retention of the minimum rental (25,000 fr.) provided for in Article IV of the Treaty.

(It should here be noted that on the 23rd October Mr. Barker, by instruction of the Director-in-chief, requested the Legation to ascertain whether the Persian Government would accept payment of the first half-yearly instalment, due on the 1st January, 1908, at the minimum rate, pending the completion of the accounts of the capital expenditure incurred on the work, the difference, if any, to be paid at a later date. This proposal was communicated to the Persian Government, who to-day, the 31st October, have signified to the Legation their acceptance.

This payment can be made without prejudice to any method of self-indemnification that may be subsequently adopted by the Indo-European Telegraph Department.

The Department has thus at its disposal several and sufficient means of recovery in the last resort; but the question of their application brings forth the last and, presumably, the most important aspect of the case.

6. The effect that the raising and pressing of these claims would have on the question of the renewal of the telegraph contracts which expire in 1925.

It will in any case be a delicate matter to obtain this renewal in the present political situation and in the actual frame of mind of the Assembly. These claims, unless carefully handled, may increase the difficulties. If the Persian Government learnt by experience that their existing telegraph contracts were a source of trouble and expense to them they would be the less inclined to assent to their prolongation.

It might, however, be gently hinted to them that these claims exist and could be pressed, that this would be now very inconvenient to them, and that the Indo-European Telegraph Department would be prepared to waive some altogether, and to be more accommodating about the others in return for the renewals in question. These Concessions might be made with the less heartburning in that the claims are by no means flawless (with the exception of the claim for the house at Kerman, which is incontestable and stands in a category by itself), and in that the amounts involved by rents or shelter-huts are not, it is understood, very considerable; and also in that it may be difficult to separate the construction salaries from the sum expended on the construction of the line, which falls under the 4 per cent. clause of Article IV of the Treaty. In 1891 a sum of 5,000l. was paid to the Shah, and a present to the value of 500l. was made to the Prime Minister for the renewal of two Concessions. The amount due for rents and construction at Dehaneh Baghi (not the purchase of the house at Kerman) would be nothing like this sum. The present proposal merely involves leaving a smaller sum in Persian pockets instead of putting a larger sum into them. It is for the Department to decide how much they would be prepared to leave. If, in addition, the Persian Government were to be informed that the Department did not intend in future to put forward claims for compensation for acts of ordinary damage such as have occurred in the past (see Foreign Office despatch No. 116 of the 10th July, 1907, and its inclosures), the Department would have given the Persian Government several simultaneous proofs of good-will and generosity, and the latter should be glad and encouraged to do business with such accommodating parties. For pure love we are likely to obtain nothing for some time to come; and as to money, it may in the past have been practicable to persuade by its use one or two highly-placed persons who habitually allowed themselves to be tempted. It will be otherwise with a hitherto collectively virgin Assembly. In any case, with regard to the presents formerly given, it would now have to be asked: "What are they among so many?" It is to be feared that 5,000l. would be quite inadequate to soften both Ministers and Assembly, even if a satisfactory distribution were possible. Those who got nothing might be hostile from pure spite or disappointment. Surely also, if it is hoped that the salvation of Persia may ultimately be worked through its constitutional Representatives, we, above all others, should so far from being the first, not even be the last to—candidly—corrupt them.

The contracts in question have another seventeen years to run; but in view of German activity, which, as this Legation has various grounds to believe, is likely to be

considerably increased in the near future, it would be well to get the matter through as soon as possible. On the first occasion, therefore, when His Majesty's Government could have the appearance of having rendered a service to the Persian Government, and on the first consequent symptom of a change in the mood of the Assembly, the Legation's application for renewal could be backed by a legitimate "douceur" that would be both moral and concrete.

(Signed) R. G. VANSITTART.

[38670]

No. 283.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 239.)

Sir,

Tehran, November 5, 1907.

THE Manager of the Imperial Bank of Persia called on me some three weeks ago and said that he was about to apply to the Persian Government for a contract to mint a quantity of silver for the business of the bank. He hoped that after the successful action taken by His Majesty's Minister in a similar case in the early summer no difficulties would be made by the Persian Government; but while the rate of exchange and price of silver were now favourable to the operation, these conditions might change, and he wished to know if, in case of delay on the part of the Persian Government, the Legation would assist him. I said that of course he could count on my warmest support, and a few days later he came again to claim it.

M. Rabino said that he did not understand what the difficulty was. He had seen the Master of the Mint, and the question of price was not the obstacle. The Minister of Finance also readily admitted the rights secured to the Bank by Sir C. Spring-Rice's representations last May.

I at once addressed a note to the Persian Government on the subject, and wrote a private and urgent letter to the Minister of Finance, on whom I also called the following day. I found the case was just as M. Rabino had stated. Nasr-ul-Mulk admitted the bank's rights, and that the question of price was not at issue. But he said that the matter was before the Financial Committee of the Assembly. I said that I could not conceive what interest that Committee could possibly take in the matter. The bank's rights were unquestioned, and there was no dispute about terms. There was thus no possible room for discussion of what was hardly more than a formality. His Excellency said that he was in a responsible position and had to refer such a question to the Committee. I urged on his Excellency that it was precisely because he was Minister of Finance and Prime Minister that it was his duty to assume responsibility in matters of a purely executive nature, though what responsibility he could see in the present case I could not divine. If he, the Prime Minister, shrank at such a trifle, how could the business of the country be carried on?

However, argument and expostulation were absolutely useless. Nothing that I could say would move his Excellency to take a step without the sanction of the Finance Committee, and the most I succeeded in extracting from him was that he would do his best to induce his colleagues at the Council to be held that night to agree to the contract, which would then be more easily accepted by the Committee. I told his Excellency that it was a matter of perfect indifference to me what view the Finance Committee took of the question. Within the last six months the bank's right to coin silver had been definitely admitted by the Persian Government, and it was my intention to see that it was respected.

I have urged the matter repeatedly, both on the Prime Minister and the Minister for Foreign Affairs, but such is the repugnance, amounting even to fear, that they have of assuming the most trifling responsibility that it still hangs fire.

Subsequently I have ascertained from the Nasr-ul-Mulk and the Mushir-ed-Dowleh that the Council of Ministers has in contemplation a law to limit the importation of silver. The object seems to be to prevent the recurrence of the state of affairs some time ago, when the exchange rose to 60 krans, and even more, to the £, a rate very unfavourable to Persia, but I found it hopeless to attempt to make either of them understand that there were other factors ruling exchange than the quantity of silver in this country, and I contented myself with saying that the Persian Government could take any steps it liked in the matter, provided the right of the bank to import and coin at any time whatever quantity of silver it required was respected.

The Minister for Foreign Affairs even suggested that he should send me a reply to my note to the effect that the Persian Government agreed to allow the bank to coin

silver to the amount of 500,000 tomans in the year. I replied that I could not accept such an answer. The reply that I wanted was that orders had been given to the proper authorities to conclude a contract with the bank for minting the amount of silver specified by the bank (which as a matter of fact happens to be just the above-mentioned sum).

I have, &c.
(Signed) CHARLES M. MARLING.

P.S., November 7, 1907. —Since writing the above, I have received from the Persian Government the note of which a translation is inclosed. There is nothing in it to which objection can be made, except the last sentence, which appears to indicate that the Government may, in the future, deny the bank's right to coin silver as it requires. It is a point of so great importance to the bank that I have thought it advisable to reaffirm our position in the note of which a copy is inclosed.

C. M. M.

Inclosure 1 in No. 283.

Mushir-ed-Dowleh to Mr. Marling.

(Translation.)

November 6, 1907.

IN answer to your note of the 27th October, 1907, regarding the requirements of the Imperial Bank of Persia as to silver, I have the honour to say that the necessary instructions have been given to the Imperial Mint by the Persian Government to accept the sum of 1 crore of tomans from the Imperial Bank of Persia, and to strike it. But regarding your statement that it is perfectly clear from the Imperial Bank of Persia's Concession that it has the right to import silver for minting purposes, I have the honour to state that, regarding the import of silver into Persia, the bank is free like other people, but the right to have silver struck freely is not stipulated in the Concession, and it is evident that you will admit that the minting of silver depends on State requirements and the necessities of commerce, and for this reason, if it is not limited, the country will suffer.

Inclosure 2 in No. 283.

Mr. Marling to Mushir-ed-Dowleh.

Your Excellency,

Tehran, November 7, 1907.

I HAVE the honour to acknowledge the receipt of your note of the 6th November informing me that the necessary instructions have been given to the Imperial Mint by the Persian Government to accept the sum of 1 crore of tomans from the Imperial Bank of Persia and to strike it. I hasten to thank your Excellency for notifying me that the unnecessary delay in taking this step is now at an end. I cannot, however, allow to pass unchallenged the final sentence in that note, in which your Excellency appears to demur to the acknowledgment of the rights of the bank to coin silver according to its requirements. In the first part of the sentence in question your Excellency admits yourself what your predecessors have never been able validly to question, the right of the bank to import silver. This admission makes it unnecessary for me to labour the point or to refer to the past occasions on which the right has been asserted by this Legation and acknowledged by the Persian Government. I gather, however, that it is to the right of minting that your Excellency demurs. I would venture to point out to your Excellency that the rights are identical—the one is a corollary of the other. For what other conceivable purpose would any bank desire to import silver except for minting? The right to import would be valueless if the right to mint were not one and the same thing.

I would respectfully refer your Excellency again to Sir C. Spring-Rice's note of the 6th May to his Highness Ala-es-Saltaneh, in which he states that "the bank's Concession imposes on the bank the obligation to pay on demand any and every note presented for payment. If the Government refuses a request from the bank to import silver for coinage in order to do that which the Concession says they must do, namely, to give silver in exchange for notes, it is quite clear that the Persian Government violates the Concession and, indeed, practically cancels it."

Finally, your Excellency appears, from your concluding words, to apprehend that the country will suffer by this legitimate operation. I beg to remind your Excellency

of what had perhaps escaped your Excellency's notice, *i.e.*, that no less than 11 per cent. *i.e.*, 5 per cent. import duty and 6 per cent. minting dues, on the value of the amount coined accrues to the Persian Government. This in itself should be a sufficient safeguard against excessive importation, while every transaction of the kind brings considerable profit to the Persian Government.

I regret to have again had to enter at any length upon this matter to your Excellency but I have felt that you were perhaps, as regards the case now happily concluded, under a slight misapprehension, which it was my duty to dissipate, in order to avoid useless discussion in the future.

I have, &c.
(Signed) CHARLES M. MARLING.

[38671]

No. 284.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 240.)

Sir,

Tehran, November 6, 1907.

MR. CONSUL-GENERAL WRATISLAW'S telegrams from Urumia, which he has been instructed to repeat to Constantinople for retransmission to London, will have kept you fully informed of events on the frontier, and of the attitude of the Turkish authorities, both civil and military, in the occupied districts. They seem to show quite clearly that no arguments on the spot will have effect in inducing those authorities to agree to accept any other line than that laid down by Dervish Pasha as marking the frontier between the two Empires.

I have abstained from communicating to the Persian Government any information received from Mr. Wratislaw as to the further advance of the Turks, as to have done so could only have increased the public indignation and excitement.

The Persian Government are treating the question with their usual fatuous blindness to their own interests. There has been a good deal of talk in the Medjliss about sending troops. The idea seems to have first been mooted about the 5th ultimo, as when I saw the President of the Assembly on the following day he asked me what I thought of it. He spoke like a man who only wanted to have his own views confirmed, and seemed to be quite satisfied when I said that it could not bring anything but disaster, especially if the force was to be placed under the command of Mohtashem-es-Saltaneh, the First Persian Commissioner.

About a week later I learned that the proposal was being really seriously entertained, and that Mohtashem-es-Saltaneh in particular was making the dispatch of troops a condition of his accepting a place on the Commission. The debates in the Chamber, also, seemed to show that even the President was being impressed by the clamour for some active measures to drive out the invaders, and I began to feel some little anxiety that something of the kind might be attempted. Persia, of course, has no forces which could withstand the Turks, but there was wild talk of allowing Mohtashem-es-Saltaneh to rouse the neighbouring tribesmen, with what result it was easy to imagine.

I therefore called on the Minister for Foreign Affairs and urged him to use his influence to prevent such disastrous folly. I said that to send troops, especially under the orders of the Persian Commissioner, would have the appearance of trying to back up diplomacy by a show of force, which would only render negotiation more difficult, or even impossible; that a chance shot between outposts might lead to a skirmish which would give the Turks an excuse for a further advance, which the Persian forces were quite incapable of resisting, and which might not stop till Tabreez was reached; and, lastly, that the negotiations which Sir N. R. O'Connor and M. Zinoviev were conducting at Constantinople would be seriously embarrassed, if not, indeed, temporarily suspended.

His Highness seemed not to have considered any more than had the Assembly what the effect of sending troops and attempting to expel the Turks would be at Constantinople. He promised, if I would give him a Memorandum of my arguments, to do his best to impress them in the proper quarter, and a few days after he informed me that he had made successful use of the personal letter I had sent him, and that the idea had been abandoned, though an escort of about 100 men would be sent with the Persian Commissioners.

The Russian Minister, whom I kept informed of what I was doing, at first was incredulous that there was any possibility of such a notion being entertained, but he

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subsequently warned the Persian Government of the foolishness of the action they were contemplating.

Mohtashem-es-Saltaneh has delayed his departure as long as possible, as he had hopes of being appointed to the Ministry for Foreign Affairs in the pending reconstruction of the Cabinet. He was by no means eager to start on what he is well aware must be a disagreeable and fruitless mission, and as there was no money forthcoming he feared that he would have to bear no small proportion of the expenses himself, with small prospect of eventual reimbursement. Finally, however, he left Tehran on the 4th instant.

Mr. Wratislaw's telegram No. 21 of the 22nd October, inquiring as to the rôle to be played by him and his Russian colleague when the Mixed Commission met, reached me on the 26th, and, having occasion to see the Russian Minister on other matters, I mentioned the point to him. I said that although I had no explicit information I presumed that it was intended that the two Consuls should attend the meetings in some way or another. The experience of the previous Commission showed that no result could be expected from a purely Turco-Persian Commission, even if the instructions which the respective Delegates would have received from their Governments allowed of reasonable discussion. The meetings would be a series of wrangles, and we should not even know what had passed. M. de Hartwig said he quite agreed, and continued that he felt that we had both in a rather uncomfortable position towards the Persian Government. We were constantly telling it of the efforts that were being made by M. Zinoview and Sir N. R. O'Connor at Constantinople, but we could point to no practical result, but rather the contrary, for the Turkish troops still continued to advance. The Persian Government were very desirous that the Consuls should be present at the meetings, and he would recommend this course to his Government. I said I also would telegraph in that sense to you, Sir, adding that if the Consuls were not to attend the sittings their usefulness at Urumia, or wherever the Commission was to meet, would be much diminished.

The Persian Government are, as I had the honour to inform you by my telegram No. 315 of the 31st October, exceedingly anxious as to the turn which events may take on the frontier. They have definitely abandoned, so Mushir-ed-Dowleh informed me on the 2nd instant, all idea of sending troops to the scene except a small escort of Cossacks for their Commissioners, under the command of a Russian officer, Captain Outchakoff, of the Cossack Brigade. But they are apprehensive that the Persian tribes may be infected with the general indignation against the Turks, or may be driven, should they be molested by the Turks, to retaliation either against the Ottoman troops or against the Turkish tribes, and thus an irregular intertribal warfare all along the frontier would be started, the end of which no one could foresee, but which would be the cause of perpetual ill-feeling and blood feuds for years to come. The Prime Minister was particularly apprehensive of such an event, and observed that if Persia were really driven to extremities she would call out the wild tribesmen of Turistan, who, if they could not meet regular troops in open battle, were masters of the art of pillage, and would sack the border districts of Turkey from Mush to Bagdad.

I have, &c.
(Signed) CHARLES M. MARLING.

[38672]

No. 285.

Mr. Marling to Sir Edward Grey. (Received November 25.)

(No. 241.)
Sir,

Tehran, November 6, 1907.

AS I understood His Majesty's Government not to be unfavourably disposed to the appointment of a French citizen as Financial Adviser to the Persian Government, I readily agreed to M. de la Martinière's request for my assistance to induce the Persian Government to accept the draft form of M. Bizot's contract, to be signed in Paris, which he had suggested. As occasions served, I gave strong hints to Ala-es-Sultaneh that delay was to be deprecated, and pressed his Highness to accept the formula suggested by the French Minister, and on the 17th October I took the opportunity offered by the presentation of my note relative to the non-payment of interest and the suspension of the sinking of the British loan to speak with some insistence. His Highness, I said, would see from the considerate tone of the note that His Majesty's Government had no wish to embarrass the Persian Government at a time of financial difficulty, but he must admit that their friendly forbearance in this

matter, as well as the extremely moderate conditions they attached to their assent to the Persian request for the temporary suspension of the Sinking Fund, entitled them to expect that the Persian Government were really making a genuine effort in the direction of reform. The Persian Government itself recognized that they required foreign expert assistance for financial reorganization, but now that, at their most pressing request, the French Government had, rather unwillingly, assented, and had selected a particularly able official for the task, they wished to make what I regarded as entirely unreasonable conditions with the object of committing M. Bizot to carry out a scheme which, after studying the financial state of the country, he might deem to be useless or even impossible. His Majesty's Government might well interpret such an attitude as signifying that Persia's desire to reform was only half-hearted, and if the delay in coming to an agreement about the form of contract were prolonged, might feel that their forbearance had been misplaced. I hoped his Highness would do his best to press the matter to a reasonable solution.

His Highness said that I was of course alluding to the wish expressed in the Assembly that the formation of a National Bank should be expressly stipulated for in the contract. I admitted it at once, and said he must recognize the absurdity of the idea which seemed to possess the Assembly that a National Bank was the panacea for Persia's financial troubles. M. Bizot must spend some months studying the financial and economic situation, and then submit his proposals for reform to the Government. If he thought a bank was required, well and good; but if not, there was nothing to prevent the Persian Government from establishing one itself. His Highness professed to agree with me, but said the question of the contract was before the Finance Committee of the Assembly.

Three or four days later a Persian gentleman in close touch with the most influential of the local Committees, and a member of the Enjumen-i-Akabar, called on me and said that there was a strong feeling abroad against the appointment of a Frenchman as Financial Adviser. A Frenchman, it was feared, would be liable, through his Legation, to fall under the influence of Russia, the ally of France, and, with Russian backing, might attempt to acquire a position of power in Persia such as M. Naus had occupied for a time. He gave me to understand that he had been commissioned to ascertain whether I thought these fears were founded. I said that I thought these dangers were imaginary; M. Bizot would of course have to take into account the fact that Russia was Persia's largest creditor, but that need not bring him under Russian influence. As for the idea that he would or could imitate M. Naus, it was obviously impossible. He would come without executive powers such as were necessarily conferred on M. Naus; he came merely to advise, and if his advice was not approved by the Persian Government it could be rejected. I continued that to reject M. Bizot's service would be serious discourtesy to the French Government, and that in the circumstances I could not believe that if the Persian Government applied to any other Government to lend a Financial Adviser the request would be entertained for a moment. No doubt the Persian Government would be able to engage a private person to fill the post, but he would obviously be far more open to the objections which were alleged against M. Bizot. I said that I was quite willing that my views should be communicated to the Enjumens as my personal opinion.

The objections to M. Bizot on the ground of his nationality have not been brought forward again, and the ever-suspicious Assembly harked back to the question of the National Bank. M. Hartwig does not seem to have entertained the apprehensions felt for a few days at St. Petersburg that the means suggested by M. de la Martinière to secure that the bank should not be founded with M. Bizot's assistance would be ineffective. He declined, indeed, to believe that the capital could ever be found for the purpose. The purpose of the bank, he argued to the Foreign Minister and myself on the 28th instant, was to provide money which the Government could draw for the reorganization of the administration and finances of the country. Something like 5,000,000*l.* would be required, and this could not be raised in Persia, and, even if it could be found, the mistrust of Persians for each other and for the Government would prevent its being subscribed. Persia must therefore look for it abroad. But neither Russia nor England, separately or jointly, would give it, and France would follow their example. There remained only Germany, and that Power was not at the moment able to find the amount required. M. de Hartwig proposed to speak openly to the Minister of Finance on the subject of the National Bank, and point out the futility of trying to make the establishment of it one of the points in the Financial Adviser's contract. He had, however, no opportunity of doing so before the 29th ultimo, when Sir A. Nicolson's telegram No. 223, informing me of the

reports received in St. Petersburg of German overtures to find the required capital, reached me. M. de la Martinière, to whom I communicated the substance of your telegram, and I called on M. Hartwig separately, and we both found him far less disposed than previously to take a high tone with the Persian Government and ready to withdraw his objection, which he had hitherto raised presumably on instructions from St. Petersburg, to the mention of the National Bank in the contract. M. de la Martinière accordingly called on Naser-ul-Mulk and said that if the Persian Government were so bent on having the bank mentioned in the contract, he would take on himself to oblige them. He therefore suggested that instead of the contract running: M. Bizot "remplira les fonctions de Conseiller Financier auprès du Gouvernement Persan" Il assistera de sa haute compétence pour l'œuvre financière propre à rétablir les finances du pays," they should substitute: M. Bizot "assistera de ses conseils le Gouvernement Persan pour l'étude des questions financières et de la Banque Nationale. Il prêter le concours de sa haute compétence pour l'œuvre propre à rétablir les finances du pays." I myself saw Naser-ul-Mulk the following day, and I urged his Excellency on general grounds not to make unreasonable objections, which caused useless delay. It was quite clear to me that Naser-ul-Mulk's attitude in the matter arises from fear of the Assembly. He said that he was responsible for having suggested to the Assembly the advantage of having a foreign Manager of the much-talked-of bank; later he had introduced the notion of utilizing the Bank Manager's services to advise the Government on financial reform, and in fact had led the Assembly to believe that the Government had applied to France for a Bank Manager who might occasionally assist the Government also; now he had to admit that M. Bizot was coming as Financial Adviser, which the Assembly does not want, but rather regards with suspicion instead of as Founder and Director of the National Bank on which it has set its heart. I said that it seemed to me that it did not require much ingenuity to explain all this away to the Assembly, but that in any case the Minister for Foreign Affairs had evidently not understood the question, or he would have drafted his request to the French Legation differently; I had seen the note, and there was not a word about founding a bank in it. The Persian Government had applied for a Financial Adviser, and they could not now wish to make him, in the first place, Director of the bank, and relegate his duties as Financial Adviser to the background. His Excellency promised to do what he could to expedite the matter, but M. de la Martinière, when next he saw him, found that the concession made of the insertion of the words "National Bank" did not satisfy the Finance Committee, and after a long and wearisome argument he agreed to submit to his Government a further modification, i.e., in the first sentence of the second draft, to substitute "et l'établissement de la Banque Nationale" for "et la Banque Nationale." M. de la Martinière was induced to recommend this further concession, if, indeed, the modification can be so called, by the news received by M. Hartwig of the arrival of a representative of Messrs. Mendelssohn, of Berlin. Both Ministers take this as a sign of imminent German intrusion, and are anxious to see this question of M. Bizot's contract settled if possible before the departure of M. Stemrich.

M. Hartwig has a poor opinion of Baron Richthofen's abilities, and thinks that his arrival will make the situation easier; but I am more inclined to the French Minister's view that even if Baron Richthofen's zeal may sometimes outrun his intelligence and discretion, his self-confident bluster, backed by the argument of a sharp financier, is just what is required to impress the Persians, and make our task more difficult.

For the reason that I had the honour to repeat in my telegram No. 322 of the 3rd November, viz., that he does not wish to appear as an opponent of Germany in a question in which France is not materially interested, M. de la Martinière wishes now to play a less prominent part ("se retirer dans les coulisses"), and leave the matter in the hands of M. Hartwig and myself. I am a little afraid that the suspicion of Russia is so deeply engrained in Persia that any overt action taken by the Russian Legation would be likely to defeat its own ends, but M. Hartwig will endeavour to exercise his influence through the Minister for Foreign Affairs, who was but lately recalled from St. Petersburg to fill his present post, and with whom he is on very friendly terms.

I myself agreed to do my utmost to bring the matter to a satisfactory conclusion, and on the 4th instant spoke to the Minister for Foreign Affairs on the subject. Mushir-ed-Dowleh said he thought the contract would eventually be accepted in its latest form. He himself saw no need for mentioning the Bank at all. He had heard nothing whatever of any negotiations with German banks, and knew nothing of

Mendelssohn's agent. I told his Excellency that if any question of founding a National Bank with German capital should be entertained, he should bear in mind that the bank would not be national, but German. His Excellency promised that he would do his best to get the contract accepted.

On the 5th instant I informed both M. de la Martinière and M. Hartwig of the views of His Majesty's Government, as expressed in your telegram No. 286 of the 4th November, to Sir A. Nicolson. Both Ministers expressed the heartiest concurrence, and the latter informed me that for some time past he had been urgently insisting with his Government that the surest means of excluding German influence and of controlling Persian finances was the creation of the National Bank under M. Bizot's auspices.

I have, &c.

(Signed) CHARLES M. MARLING.

[38673]

No. 286.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 242.)

Sir,

Tehran, November 7, 1907.

WITH reference to my despatch No. 231 of the 10th ultimo, I have the honour to transmit to you herewith a full translation of the text of the Constitutional Law as passed by the National Assembly and signed by the Shah on the 8th October, 1907.

The Law reduces the Sovereign to practical impotence, but by far its most important part is that defining the powers of the Tribunals. Articles 71 and the succeeding Articles, although ambiguously worded, intentionally so, will, if carried into execution, deal a deadly blow at the judicial powers of the Mollahs. The Courts of Justice are declared to be "the centres to which all suits must be referred," and they will apparently decide whether cases should be dealt with by the Civil or Ecclesiastical Judges. The Ecclesiastical Judges will, it seems, be compelled to try their cases in the Courts of Justice, not in informal Tribunals held at their private residences or elsewhere, as has been the custom hitherto. It remains to be seen whether this sweeping change will in practice be accepted by the Mujtehids. Article 86, also ambiguously worded, seems to grant the right of appeal against all decisions of the Civil or Ecclesiastical Courts to a Court of Appeal, instituted in accordance with the Regulations of the Ministry of Justice, i.e., of a civil power. If this interpretation be correct, it is obvious that a most effective restraint will be placed on the powers of the Mollahs to give arbitrary and corrupt judgments.

The Law is full of other important points, but many of these are so technical, so intimately connected with the whole course of the reform movement, that they can hardly be appreciated without a special knowledge of the question. I will therefore content myself with drawing your attention to the following Articles:—

Article 2. Giving the Ulema the right of censure over all laws passed by the Assembly. (See discussions of May and June on this important and much-debated clause.)

Article 8. Granting equality before the civil law. (See the interesting and ingenious speeches of Taghizadeh and Imam Jumei of Khoi on this question, which, purposely raised by the late Atabeg, almost wrecked the Assembly last May.)

Article 11. Restraining the arbitrary choice of Tribunals by suitors.

Article 13. Inviolability of domicile.

Article 18. Freedom of education.

Article 20. Freedom of press.

Article 21. Rights of association.

Articles 26 and 27. Definition of the powers of the realm "which spring from the people."

Article 35. The conception of sovereignty.

Article 39. The solemn oath of fidelity to the Constitution to be sworn by each new Sovereign.

Article 45. Responsibility of Ministers for Imperial Rescripts.

Articles 71 to 89. Defining the powers of the Tribunals as indicated above.

I have, &c.

(Signed) CHARLES M. MARLING.

Inclosure in No. 286.

The Constitutional Law, as passed by the National Assembly, and signed by the Shah on October 8, 1907.

(Translation.)

Preamble.

In the name of God the Merciful, the Compassionate.

THE following are the Articles which, in order to complete the fundamental laws of the Constitution of Persia, have been added to the Constitutional Law signed by His Imperial Majesty the late Muzaffer-ed-Din Shah Kajar on the 14th of Zihaadé-ul-Haram, 1324 (30th December, 1906):—

General.

Article 1. The official religion of Persia is the branch of the Twelve Imams of the Shia Sect of Islam. The Sovereign of Persia must be of, and contribute to the spread of, this religion.

Art. 2. The National Assembly has been founded by the help of the Twelfth Imam, the bounty of His Islamic Majesty, the watchfulness of the Mujtehedes and the common people. The laws passed by it must never to all ages be contrary to the sacred precepts of Islam, and the laws laid down by the Prophet. It is obvious that the decision as to whether the laws passed by the Assembly are in opposition to the precepts of Islam rests with the Ulema. It is therefore officially decreed that for all ages a Committee composed of five persons, who shall be Mujtehedes and religious doctors, and who also must be acquainted with the requirements of the times, shall be elected in the following manner: The Ulema and doctors of Islam who are recognized by the Shias as the centre of imitation shall make known to the National Assembly the names of twenty of the Ulema possessing the above-mentioned qualities. The National Assembly shall, by agreement on casting of lots, elect five of them or more, according to the requirements of the age, and admit them as members. This Committee shall discuss and thoroughly investigate the Bills brought in by the National Assembly, and reject every one of these Bills which is contrary to the sacred precepts of Islam, in order that it may not become law. The decision of this Committee is final.

This Article will not be liable to change until the advent of the Twelfth Imam.

Art. 3. The boundaries of the Kingdom of Persia, of its provinces, departments, and communes, cannot be modified except by law.

Art. 4. The capital of Persia is Tehran.

Art. 5. The official colours of the Persian flag are green, white, and red, with the sign of the lion and the sun.

Art. 6. The life and property of foreigners resident in Persia are secured and guaranteed except in those cases in which the laws of the realm make exceptions.

Art. 7. The Constitution, in part or in entirety, is not liable to interruption.

Art. 8. The people of Persia enjoy equality of rights before the civil law.

Art. 9. The life, property, domicile, and honour of every individual is secured and guaranteed from every kind of injury. No one can be disturbed except by order of, and in the manner defined by, the laws of the land.

Art. 10. Except when found *in flagrante delicto* committing, crimes, misdemeanours, or important offences, no one can be immediately arrested except by a written order of the President of the Tribunal of Justice in accordance with law. Even then the offence of the accused must be made known to him at once, or at the latest within twenty-four hours.

Art. 11. No one can be prevented from appearing before the Court which should decide his case, and be forced to refer the matter to another Court.

Art. 12. No punishment shall be decreed or executed except by law.

Art. 13. The dwelling-place and house of every individual is inviolable. In no dwelling-place can forcible entry be made, except by order of, and in the manner defined by, law.

Art. 14. No Persian can be exiled or prevented from residing in any place, or forced to reside in any place, except in cases defined by law.

Art. 15. No owner can be deprived of his land except by sanction of the Sheri, and then even only after the fixing and payment of a just price.

Art. 16. The sequestration of the estates or property of any one as a penal measure is forbidden, except by order of law.

Art. 17. It is forbidden to deprive land-owners or possessors of the estates or property in their possession, on no matter what ground, except by order of law.

Art. 18. The study of teaching of arts, letters, and sciences are free, except in so far as they are forbidden by the Sheri.

Art. 19. The foundation of schools at the expense of the State and the people, and compulsory education, must be in accordance with the Law of the Ministry of Education. All primary and secondary schools must be under the direction and surveillance of the Ministry of Education.

Art. 20. All publications, except heretical works containing matter harmful to the religion of Islam, are free, and it is forbidden to make distinction between them. Whenever anything contrary to the Law of Publications is found in them, the publisher or author will be punished in accordance with that Law. If the author is well known and resident in Persia, the publisher, the printer, and the distributor shall be secured from any action being brought against them.

Art. 21. Societies and Associations which do not provoke religious or civil strife are free throughout the realm; but their members must be unarmed and must obey the regulations which the Law on this subject shall lay down. Meetings in the high roads or public squares must be held in accordance with the laws of the police.

Art. 22. Postal communications are inviolable, and secured against seizure or opening, except in cases in which the law makes exception.

Art. 23. The publication or seizure of telegraphic communications without the permission of the author of the telegram is forbidden, except in cases in which the law makes exception.

Art. 24. Foreign subjects can acquire Persian nationality. The acquisition, preservation, and divestment of nationality will be in accordance with a separate law.

Art. 25. Permission is not required to bring actions against Government officials for offences connected with their duties, except in the case of Ministers, in which the special laws enacted in this respect must be observed.

The Powers of the Realm.

Art. 26. The powers of the realm spring from the people. The Constitutional Law defines the method of using those powers.

Art. 27. The powers of the realm are divided into three parts:—

Firstly, legislative power, whose province it is to make and amend laws. This power emanates from His Imperial Majesty the Shah, the National Assembly, and the Senate. Each one of these three sources possesses the right of originating laws; but their passing is conditional to their not being contrary to the laws of the Sheri, and to the approval of the two Assemblies, and to their receiving the Imperial signature. But the making and approval of laws relating to the revenue and expenditure of the realm belong to the National Assembly alone.

The interpretation and commentary of laws is the peculiar duty of the National Assembly.

Secondly, the judicial power, which consists in the distinguishing of rights. This power belongs to the Sheri Tribunals in matters appertaining to the Sheri, and to the Courts of Justice in matters appertaining to the civil law ("urf").

Thirdly, the executive power, which rests with the Sovereign. That is to say, the Laws and Decrees will be executed by the Ministers and Government officials in the name of His Imperial Majesty in the manner defined by law.

Art. 28. The three above-mentioned powers shall always be differentiated and separated from one another.

Art. 29. The particular revenues of each province, department, and commune, shall be regulated by the Provincial and Departmental Assemblies in accordance with their own particular laws.

The Rights of the Members of the National Assembly.

Art. 30. The Members of the National Assembly and the Senate represent the whole nation, not only the particular classes, provinces, departments, and communes which have elected them.

Art. 31. One person cannot at the same time be a Member of both Assemblies.

Art. 32. As soon as a Member becomes a salaried Government servant he ceases

to be a Member. He can only become a Member again after resignation of his Government post and his re-election by the people.

Art. 33. Each of the two Assemblies has the right to inquire into and investigate all the affairs of the kingdom.

Art. 34. The discussions of the Senate while the National Assembly is not sitting can have no effect.

The Rights of the Crown.

Art. 35. The sovereignty of Persia is a trust which, by the grace of God, has been conferred on the person of the Sovereign by the people.

Art. 36. The limited Monarchy of Persia is vested in the person of His Imperial Majesty Muhammed Ali Shah Kajar and his descendants from generation to generation.

Art. 37. The Crown Prince, in the event of there being more than one child, shall be the eldest son of the Sovereign, whose mother is a Persian by birth and a Princess. If the Sovereign has no male children, the eldest of his family in nearest relationship to himself shall become Valiahd. If in this case a male child is afterwards born to the Sovereign, the succession shall devolve on him by right.

Art. 38. In the event of the death of the King, the Valiahd can only govern in person when he has reached the age of 18. If he has not attained that age, a Joint Committee of the National Assembly and the Senate shall elect a Regent to act for him until he reaches the age of 18.

Art. 39. No Sovereign can ascend the throne unless, before his coronation, he appear before the National Assembly, and in the presence of the Members of the National Assembly and the Senate and the Cabinet of Ministers swear the following oath:—

"I take the Lord Most High to witness, and I swear by the Holy Word of God and by all that is sacred before God, that I will devote all my energy to preserving the independence of Persia, guarding and protecting the limits of the realm and the rights of the people. I will be the guardian of the fundamental law of the Constitution of Persia, and will rule in accordance with it and the laws which have been decreed. I will strive zealously to propagate the sect of the Twelve Imams of the Shia religion. Deeming God Almighty a witness to my every act and deed, I will have no other object in view save the greatness and happiness of the State and people of Persia. I pray for the grace of God to serve the progress of Persia, and I ask help in my task of the pure souls of the saints of Islam."

Art. 40. In like manner the person who has been elected to the Regency cannot take charge of affairs unless he has sworn the above oath.

Art. 41. On the occasion of the death of the Sovereign the National Assembly and the Senate must be convened. The summoning of the two Assemblies cannot be delayed for more than ten days after the death of the Sovereign.

Art. 42. If the period of membership of the Members of both or one of the Assemblies has come to an end in the life of the Sovereign, and at the moment of his death the new Members have not yet been elected, the former Members must meet and hold Session.

Art. 43. The Sovereign cannot, without the approval and sanction of the National Assembly and the Senate, interfere in the affairs of another country.

Art. 44. The Sovereign is absolved from all responsibility. The Ministers of State are responsible in all matters.

Art. 45. All the Decrees and Rescripts of the Sovereign shall only be put into execution when they have been signed by the responsible Minister, who is responsible for the accuracy of the contents of that Firman or Rescript.

Art. 46. The dismissal and appointment of Ministers are by order of the Sovereign.

Art. 47. The conferring of commissions in the army and orders and honorary distinctions, with due observance of law, is vested in the person of the Sovereign.

Art. 48. The Sovereign has the right, with the approval of the responsible Minister, to choose the important officials of the Government Departments, either at home or abroad, except in cases excepted by law. But the appointment of the other officials does not concern the Sovereign, except in cases defined by law.

Art. 49. The issuing of Firmans for the execution of laws is one of the rights of the Sovereign, but he may not delay or suspend the execution of those laws.

Art. 50. The supreme command of the military and naval forces is vested in the person of the Sovereign.

Art. 51. The declaration of war and the conclusion of peace rests with the Sovereign.

Art. 52. Treaties which, in accordance with Article 24 of the Constitutional Law of the 14th Zilaadeh, 1325 (30th December, 1906), must be kept secret, must on the removal of this necessity, and provided that the interests and security of the country demand it, be communicated by the Sovereign to the National Assembly and the Senate, with the necessary explanations.

Art. 53. The secret clauses of any Treaty cannot annul the public clauses of that Treaty.

Art. 54. The Sovereign can summon the National Assembly and the Senate to an extraordinary Session.

Art. 55. Coins shall be struck, according to law, in the name of the Sovereign.

Art. 56. The expenses of the Imperial household must be defined by law.

Art. 57. The powers and prerogatives of the Sovereign are only such as have been defined by the existing constitutional laws.

Concerning the Ministers.

Art. 58. No one can become a Minister unless he is a Mussulman, a Persian by birth, and a Persian subject.

Art. 59. Princes of the first rank, that is to say, the son, brother, or uncle of the reigning Sovereign, are not eligible as Ministers.

Art. 60. The Ministers are responsible to both Assemblies. They must appear whenever they are summoned by either of the two Assemblies. In the affairs intrusted to them they must observe the limits of their responsibility.

Art. 61. The Ministers, besides being severally responsible for the particular affairs of their own Ministry, are in matters of general policy conjointly responsible to the two Assemblies, and are guarantors of each other's actions.

Art. 62. The number of Ministers will, as required, be fixed by law.

Art. 63. The title of "Honorary Minister" is entirely abolished.

Art. 64. Ministers cannot make the verbal or written commands of the Sovereign a pretext for divesting themselves of their responsibility.

Art. 65. The National Assembly or the Senate can accuse and put Ministers on trial.

Art. 66. The responsibility of Ministers and the functions assigned to them will be defined by law.

Art. 67. If the National Assembly or the Senate express dissatisfaction with the Cabinet of Ministers or with a single Minister, that Cabinet or that Minister must be dismissed.

Art. 68. Ministers cannot undertake any salaried employment other than their own duties.

Art. 69. The National Assembly or the Senate shall prosecute Ministers for their offences before the High Court of Appeal. The above-mentioned Court shall try the case in plenary Session of all the members of its ordinary Tribunal, except when the accusations or claims are not legally connected with the Government Departments entrusted to the Minister but concern him personally.

Note.—Until the Court of Appeal has been constituted, a Committee, chosen in equal numbers from the Members of the two Assemblies, shall act instead of the Court of Appeal.

Art. 70. The decision as to the offence and the punishment of Ministers when accused by the National Assembly or the Senate, or when, in the affairs of their Departments, accusations concerning them personally are made against them, will be in accordance with special law.

The Powers of the Tribunals.

Art. 71. The Supreme Court of Justice and the subsidiary Courts are the official centres to which all suits must be referred, and judgment in matters appertaining to the Sheri rests with the fully qualified Mujtehed.

Art. 72. Suits relating to political rights concern the Courts of Justice, excepting those which are excepted by law.

Art. 73. The choice of the Court of Justice in cases appertaining to the civil law is decided by law, and no person may on whatsoever plea institute a Court contrary to the decrees of law.

Art. 74. No Court of Law can possibly be instituted except by law.

Art. 75. In the whole kingdom only one Court of Appeal for cases relating to the civil law will be instituted, and that will be in the capital. This High Court of Appeal will not try any case of the first instance, excepting in cases relating to Ministers.

Art. 76. The sittings of all Tribunals shall be public, excepting in cases where such public trial would be prejudicial to order or decency, in which case the necessity will be announced by the Tribunal.

Art. 77. In cases of political and press offences, should it be desirable that the trial be secret, it must only be by the unanimous consent of all the members of the Tribunal.

Art. 78. The judgments delivered by the Tribunals must cite the Articles of the laws by which the judgments are governed, and these must be read publicly.

Art. 79. In cases of political and press offences the whole body of the Judges shall be present.

Art. 80. The Presidents and the members of the Courts of Justice will be chosen in the manner decreed by the Law of the Ministry of Justice, and will be appointed by virtue of a Royal "Firman."

Art. 81. No Judge of the Courts of Justice may be suspended, either temporarily or permanently, without a trial and a proof of offence, unless he himself resigns.

Art. 82. No Judge of the Courts of Justice can be transferred from his post except by his own consent.

Art. 83. The choice of the Public Prosecutor, with the approval of the Chief Sheri Judge, rests with the Crown.

Art. 84. The salaries of the staff of the Courts of Justice will be fixed by law.

Art. 85. The Presidents of the Courts of Justice may not accept salaried Government posts, but may only render such services gratis should they not be contrary to law.

Art. 86. In every provincial capital a Court of Appeal for judicial cases will be instituted in the manner defined by the Regulations of the Ministry of Justice.

Art. 87. Military Tribunals will be instituted in the whole country according to a special law.

Art. 88. The judgment of disputes relating to the limitations of Government Departments and offices will, in accordance with the decrees of law, be referred to the High Court of Appeal.

Art. 89. The Supreme Court of Justice and the subsidiary Courts will only put into execution decrees, general Regulations, the Regulations of Provincial and Municipal Councils when they are in accordance with the law.

Regarding the Provincial Assemblies.

Art. 90. Provincial Assemblies shall be established in all the provinces of the kingdom in accordance with special Regulations, and the fundamental laws of these Assemblies will be as follows:—

Art. 91. The members of the provincial Assemblies shall be elected directly by the people in accordance with the law of the Provincial Assemblies.

Art. 92. The Provincial Assemblies have the power of complete supervision in matters concerning the public weal, with due observance of the laws which have been decreed.

Art. 93. A statement of every kind of revenue and expenditure of the provinces and departments will be printed and published by the Provincial Assemblies.

Regarding the Finances.

Art. 94. No taxes may be levied except by law.

Art. 95. All exemptions from taxation will be decreed by law.

Art. 96. The incidence of taxation will be approved and defined every year by a vote of the majority of the Members of the National Assembly.

Art. 97. There will be no differentiation or favour among individuals regarding taxation.

Art. 98. Rebates and exemption from taxation will be defined by a special law.

Art. 99. Except in cases specially defined by law, nothing shall be demanded from the people on any pretext whatever, excepting in the name of State, provincial, or municipal taxation.

Art. 100. No salaries or gratuities will be paid out of the Government Treasury, excepting those which are decreed by law.

Art. 101. The members of the State Accounts Department will be chosen by the National Assembly for a period to be decreed by law.

Art. 102. The State Accounts Department is charged to inspect and separate the accounts of the Finance Department, and to elucidate the accounts of the Treasury Accountants in general, and especially to see that none of the two items of expenditure allowed for the Budget should exceed the estimate, and that there be no alteration or change, and that every sum has been expended in the manner designated. It is also charged with the verification and separation of the different accounts of the Government Departments in general, and will collect the vouchers of expenditure. A statement of the general accounts of the kingdom must be supplied by it to the National Assembly accompanied by observations.

Art. 103. The composition and Regulations for this State Department will be in accordance with law.

Army.

Art. 104. The enrolling of troops will be fixed by law. The duties and rights of the army as well as promotion will be in accordance with law.

Art. 105. The army vote must pass the National Assembly every year.

Art. 106. No foreign troops will be allowed to serve the Government, and they will not be allowed either to reside in any part of the country, or to pass through or into the country, excepting in accordance with law.

Art. 107. The pay or rank or decoration of the soldiers or officers may not be withdrawn excepting in accordance with law.

The Shah's Rescript:

In the name of God the Most High.

The completion of the Constitution has been seen. It is all correct, and we, our Royal self will, by the grace of God, be the protector and supervisor of the whole of it. Our children and descendants will, by the grace of God, support these sacred principles and institutions.

29th Shaaban, Goui-il 1325. At the Imperial Palace, Tehran.

[38674]

No. 287.

Mr. Marling to Sir Edward Grey. (Received November 25.)

(No. 243. Confidential.)

Sir,

Tehran, November 7, 1907.

FROM a conversation which I had yesterday evening with Nasr-ul-Mulk, it would appear that the movement for the deposition of the Shah, which perhaps became public too quickly to be called a conspiracy, presented much more serious features than would appear from the account given in the monthly summary.

Nasr-ul-Mulk said that the Shah was possessed with but one idea, viz., to be rid of the Medjliss; that he was using the prestige of his name in the provinces and such money as he could scrape together in Tehran to foment disorders and to promote dissensions in the Assembly. There was undeniable proof of this in the possession of the Government, and what made the situation so much more dangerous was that the Shah was unquestionably being supported by Russian agents. His Excellency cited, as proof positive that the Russians are taking sides in the present situation that when, three days ago, in anticipation of trouble at night, the Government sent an order to the Russian Colonel of the Cossack Brigade to send 200 men to the police barracks, near the bazaar, to assist in maintaining order, Colonel Liakhoff refused to obey. Nasr-ul-Mulk sent for him, and after some difficulty succeeded in extracting from him an avowal that he did so on the express orders of the Shah.

His Excellency went on to say that he was pretty well convinced that the Shah was receiving money from the Russian Bank, and had in fact, he believed, drawn some 15,000 tomans thence within the last ten days. Possibly he was selling the Crown jewels, or perhaps the small quantity of gold still remaining in the Kajar treasury.

The danger of the situation, he said, did not lie in the Shah's intrigues, though the certain knowledge which the people had just acquired of them had been the

immediate cause of the recent outburst against His Majesty; the real danger lay in the possibility of the masses getting wind of the fact—and he was convinced that it was a fact—that the Shah was receiving Russian support. It was being whispered even now, and if the people thought there was truth in it the Shah would be accused of selling his country, and his life would be in danger.

It is, of course, difficult to sound Persians as to the accuracy of Nasr-ul-Mulk's views, but, from the expressions used in the press and in the pulpit, I believe that he is substantially accurate.

Unfortunately Russia is giving the Shah money, though how much has been given already I cannot say. M. de Hartwig told me a few days ago that he believed that the loan of 150,000 tomans on the security of the Shah's jewels had not yet been concluded, but he professed to treat the matter as unimportant and hardly worth asking about. Then, again, M. de Hartwig was to be authorized to advance to His Majesty from 12,000*l.* to 20,000*l.* within the last few days, all nominally to relieve the Shah's personal necessities. Whether there is anything in the stories of the destitution of the Shah or not is hard to say. His Majesty is very avaricious, and the forlorn state of the Palace, which a Persian gentleman described to me as quite pathetic, may be partly the result of a desire of economy; on the other hand, Nasr-ul-Mulk told me that the expenses of the Palace, including the anderoon, were defrayed by the nation. Whichever story is correct, I think there is little doubt that a large part of any funds obtained by the Shah from Russian sources would be used for purposes of intrigue, to promote disorders all over Persia, and to discredit the Medjliss.

From what M. de Hartwig told me the other day (see my telegram No. 300 of the 21st October) to the effect that Russia was pledged to maintain the Kajar dynasty, there can be little room to doubt that he has given the Shah assurances to protect His Majesty. The result must be that the Shah is encouraged to continue his intrigues, and such is his bitter feeling towards the Assembly, as described to me by Nasr-ul-Mulk, that he would not hesitate to push matters to a point where Russian intervention, if she is to redeem her pledge, would be inevitable.

M. de Hartwig, I believe, does not realize the hatred with which his country is regarded here, and honestly believes that a show of force would be enough to cow the Persians. He may of course be right, for the Persian is fonder of words than of deeds. But my own belief is that if the relations between the Shah and the Russians became known publicly serious riots would ensue, which might well culminate in an attempt to depose and even to murder the Shah. His only means of defence is, of course, the Cossack Brigade, whose fidelity is doubtful.

There are already rumours in the bazaar that the Shah has sent his jewels to Russia, and it is scarcely to be hoped that the fact of his receiving money from the Russian Bank can be kept a secret.

I have, &c.
(Signed) CHARLES M. MARLING.

[38675]

No. 288.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 244.)

Sir,

Tehran, November 7, 1907.

IN Sir A. Nicolson's telegram to the Foreign Office No. 231 of the 4th instant, which he was good enough to repeat to me, I notice that the Acting Minister for Foreign Affairs, in intimating the possible intention of the Russian Government to move troops to the frontier, alluded to the salutary effect which he heard had been produced by the presence of the "Comet." As you are aware, the "Comet" was unable to approach within 4 miles of Ahwaz, and after a very brief stay was obliged, by the appearance of small-pox on board, to return to Mohammerah, whence, at the termination of her quarantine, she is, I believe, to return to Bagdad. Moreover, as I had the honour to report in my telegram No. 305 of the 24th ultimo, Captain Lorimer had, as early as the 21st ultimo, had exemplary punishment inflicted on the aggressors of Mr. Harris, and the local effect of their flogging and expulsion was, as Captain Lorimer reported, excellent. (I should like to add here that the greatest credit is, in my opinion, due to Captain Lorimer for the manner in which, by his energy and authority, he brought to a most satisfactory conclusion a difficult and most unsatisfactory business). The arrival and departure of the "Comet" can therefore

have had but little effect on the tribesmen of Batwand, and her presence excited no comment here beyond a little casual inquisitiveness.

In these circumstances, the Acting Minister for Foreign Affairs must have either been misinformed, or it would appear as if, by the argument of *tu quoque!* he was endeavouring to justify in our eyes the dispatch of Russian troops to the frontier, of which he was speaking.

I have, &c.
(Signed) CHARLES M. MARLING.

[38676]

No. 289.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 245.)

Sir,

Tehran, November 7, 1907.

SIR C. SPRING-RICE had the honour to transmit to you, in his despatch No. 211 of the 17th September last, copies of Messrs. Lynch's accounts with the Bakhtiari Khans, which had been forwarded to His Majesty's Vice-Consul for Arabistan for official presentation to the Chiefs. Captain Lorimer was instructed to use every effort to obtain the settlement of these long-outstanding claims, and was authorized to point out to the Khans, should he deem expedient, that the continuance of the friendly relations which have for so many years existed between this Legation and the Chiefs could not but depend on the spirit they showed in meeting these and other obligations contracted by them with the subjects of His Majesty the King.

I now have the honour to transmit to you—

1. Copy of a telegram addressed to the Legation by the two leading Chiefs complaining of Captain Lorimer's attitude in regard to these claims and other matters.

2. Of my reply to that message.

3. Of my reply to a note from the Persian Government covering a telegram to them from the Khans alleging improper conduct on the part of the employés of the Oil Syndicate in the matter of the water supply at Batwand.

A perusal of these documents will, I venture to think, convince you, Sir, of the persistent determination of the Khans to evade their obligations and responsibilities, and will, I trust, be considered as amply justifying the uncompromising attitude I felt it my duty to adopt in regard to the proper discharge of these obligations.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure 1 in No. 289.

Samsam-es-Saltaneh and Shahab-es-Saltaneh to Mr. Marling.

(Telegraphic.)

October 4, 1907.

CAPTAIN LORIMER is making unprecedented difficulties with us. The two bridges on the road used to be painted every two or three years by the engineers of the Company for 300 tomans. He now claims 1,500 tomans on this account, while he confesses himself that it has been done without our permission. We had arranged with Mr. Preece that, should the Company undertake the work without our permission, the expenses should not exceed 350 tomans. He says the work has been done two years ago and the money is to be paid.

A robbery has been committed on the road, and, although he knows that the robbers are Kulkilus of Fars, he is claiming compensation from us. We are not allowed by the Persian Government to have recourse to reprisal, and the Kulkilus are not under our jurisdiction.

By the suggestion of your Excellency an arrangement in writing has been made that a sum of 500*l.* should be paid for the superintending officer of the guards of the oil wells. The payment is now refused. These proceedings are intolerable. We therefore request the affairs of the Bakhtiaris to be referred to the Ispahan Consul, to whom we may be recommended and thus gratified.

[1549]

Inclosure 2 in No. 289.

Mr. Marling to the Samsam-es-Saltaneh and the Shahab-es-Saltaneh.(Telegraphic.)
(After compliments.)*Tehran, October 8, 1907.*

I HAVE read with surprise your Excellencies' telegram of the 4th October, the more so as his Excellency the British Minister informed you in his letter of the 5th June last that Captain Lorimer's actions enjoy the full support and approval of this Legation.

As regards the Company's charges for painting the bridges and for the expenses of their engineer, these accounts have been carefully considered by this Legation and by the British Government; they were found correct, and they include no expenses beyond those actually incurred. Captain Lorimer was accordingly instructed to present them. This claim is therefore just, and in accordance with Article 4 of the Agreement of the 3rd March, 1898, and I am confident that your Excellencies, in your spirit of justice, will not allow the Company to lose on account of the work they have done. Let it also be noted that no interest has been charged on the account for 1904.

With regard to robberies committed on the road, whether by Kuhgilu or others, Captain Lorimer is perfectly justified in placing the responsibility with your Excellencies, for when the Imperial Persian Government granted the Concession for the Ahwaz-Ispahan road on the 23rd April, 1897, it was stipulated in Article 6 that—

"The Imperial Persian Government grants to the concessionnaires the right of protecting the whole road and all caravanserais, and the concessionnaires engage to hold themselves responsible for the safety of all caravans and all in connection therewith, either as regards cash, animals, merchandize, or persons over all parts of the road.

"The concessionnaires will have the right of pursuing thieves, and of recovering goods or animals plundered by them, wherever and whenever such robberies may occur in any part of the road."

From this it will be seen that no hindrance is placed by the Imperial Government in the way of pursuing thieves.

This Legation has recently been compelled to make serious complaints respecting the inadequate manner in which the employes of the Oil Syndicate are guarded, in spite of written undertakings, and until satisfaction is given in this respect I cannot recommend to the Syndicate the payment of an extra 500l. a-year as suggested.

I regret to see no mention in your Excellencies' telegram of punishment being inflicted on the persons who assaulted Mr. Harris, nor of what steps your Excellencies propose to take in order to prevent the recurrence of incidents like these, which are liable to disturb the good relations between the Legation and the Bakhtiari Khans.

The Persian Government have forwarded to me a copy of your Excellencies' telegram complaining that people were prevented taking water at Batwand by the Oil Syndicate's men. It is clear that false or misleading information has been given to your Excellencies on this subject, as the accusations are known to be unfounded.

In conclusion, I request your Excellencies to continue amicable negotiations with Captain Lorimer, who acts with the authority of this Legation, and to treat him as befits the Representative of the British Government.

Inclosure 3 in No. 289.

Mr. Marling to the Ala-es-Saltaneh.

Your Highness,

Tehran, October 9, 1907.

I HAVE received a note from your predecessor, dated the 1st October, communicating to me a telegram received from the Samsam-es-Saltaneh and the Shahab-es-Saltaneh on the subject of the employes of the D'Arcy Oil Syndicate.

I regret to inform your Highness that I consider both the note of your predecessor and the telegram of the Khans as unsatisfactory. There is no mention in either of the punishment of the authors of the attack on Mr. Harris, nor of the satisfaction to be given to the sufferers. Moreover, the Khans make no allusion to the definite measures which must be taken to prevent the recurrence of these outrages and to insure the safety of the employes of the Syndicate in the future.

I need not recapitulate the correspondence which has already passed between this Legation and the Persian Government on both these subjects. Your Highness is aware of the Legation's views in this respect, which are unmodified.

I must again urge your Highness not to allow these assaults to be committed with impunity, and to see that the necessary measures are taken both with regard to the past and to the future.

I have, on my part, instructed the employes of the Oil Syndicate to abstain carefully from any action or attitude likely to cause unnecessary offence to the tribes. I must, however, inform your Highness that I regard the charge brought by the Khans against the Syndicate's Manager of preventing the inhabitants and visitors at Batwand from getting water as obviously unfounded, inasmuch as the only force by which such an obstruction could be effected consists of the guard supposed to be furnished by the Khans themselves.

(Signed) CHARLES M. MARLING.

[38677]

No. 290.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 246.)

Sir,

Tehran, November 7, 1907.

I TRANSMIT to you herewith a despatch from His Majesty's Vice-Consul at Ahwaz reporting the result of his recent interviews with the Bakhtiari Khans at Shalamzar.

Captain Lorimer's report entirely bears out the conception I had formed of the Khans' attitude, to which I have already had the honour of drawing your attention in my despatch No. 245 of even date. You will observe that Captain Lorimer notes the appearance of a tendency on the part of the Khans to emancipate themselves from the authority of the Central Government, in effect, at least, if not in name. Hitherto the dictates of the Tehran Government have been treated by the Chiefs with an exaggerated respect, as witness their invariable acquiescence in the appointments made at the capital to the positions of Ilkhani and Ilbeggi. It has, however, in the past apparently been considered inexpedient for the Legation to invoke the aid of the Central Government in order to bring pressure to bear on the Khans. The end in view was, I take it, to avoid any specific reference to Persian sovereignty over Bakhtiari, and, by a policy of clemency and conciliation, to gain the confidence and good-will of the Khans themselves and so to render unnecessary any reference to the Tehran Government of affairs which solely concerned the former. Such a course may have been possible in the time of a Bakhtiari Ruler like the late Isfendier Khan, but there seems little doubt that since his death there has been a sensible demoralization among the people over whom he ruled, and that rapacity and avarice are the most salient qualities of his successors in office.

In view, however, of the experience gained in past, and in the present, attempts to exact from the Khans a fulfilment of their obligations, I venture to think that the time has come when no reliance can any longer be placed on the good faith or intentions of the Khans, and when resort becomes necessary to some other means of bringing home to them a proper sense of their responsibilities.

If the Chiefs achieve their object of casting loose from the central authority, a contingency which, if not very probable, must yet be reckoned with, they would almost certainly seize the opportunity of repudiating their contractual obligations, with the most damaging results to British trade and enterprise in South-West Persia. Force will then be, even if it be not already, the only argument to which they would bend, and I feel confident that the use of such an argument is entirely contrary to the wishes and policy of His Majesty's Government.

I have accordingly been considering the advisability of bringing pressure to bear from Tehran by calling the attention of the Persian Government to their undertakings in this respect recorded in Mr. C. Hardinge's despatch No. 34 of the 28th February, 1898, to which Sir C. Spring-Rice referred in his despatch No. 149 of the 15th July last.

Before, however, committing myself to this course I telegraphed to Captain Lorimer inquiring if he still held to its advisability, and whether, in view of subsequent events, he saw any chance of inducing the Khans to pay without having recourse to it. I had hoped to be in possession of his reply before addressing you on the subject; but it has not yet reached me, and I hesitate to make any specific recommendations until I am in possession of his views. I will not fail to inform you of them at the earliest opportunity.

I propose to convey to Captain Lorimer my approval of his action, and I trust you will share my appreciation of it. His position was a far from easy one, and its difficulties were considerably increased by the premature dispatch from Ahwaz of Messrs. Lynch's engineer to inspect and paint the two suspension bridges, which afforded to the Khans the nearest approach to a genuine grievance they have had for some time, a fact of which they were not slow to take advantage. I hardly think the explanation of this circumstance given in the Persian Transport Company's letter of the 21st September, copy of which you were good enough to send me in your despatch No. 168 of the 25th September, can be regarded as satisfactory in view of the warning conveyed to them as regards the necessity of previously consulting the Khans.

I have, &c.

(Signed) CHARLES M. MARLING.

Inclosure 1 in No. 290.

Vice-Consul Lorimer to Sir C. Spring-Rice.

(No. 85. Confidential.)

Sir,

Shalamzar, September 29, 1907.

I HAVE the honour to forward attached a brief Memorandum of the chief points which have come up in the interviews which I have been having with the Bakhtiari Khans. I would venture to add the following remarks and recommendations:—

2. The effect of the vicissitudes which his fortunes have undergone since March, and which he attributes in some measure to us, on the Samsam's manners has been most excellent. The Khans, under the leading, I think, of the Shahab, have taken up a very unsatisfactory position. This, I think, is in part due to their fear of each other, and in any case I see signs of nervousness in them, which I trust we shall be able to justify.

3. As regards the extra 500*l.* for the oil guards, my terms are either that the payment of the guards be placed in our hands or that, as was agreed upon a year ago, one of the senior Khans should take over charge of the guards and affairs connected with the Syndicate and reside on the spot.

They insist on the mere nominal appointment of a Khan, who would never go near the scene of work, but would lead his ordinary nomadic life. This is, of course, ridiculous.

4. As regards the bridges, as the Khans will not pay the 1904 bill for repairs, it is inadvisable that Lynch should expend a further penny on them on any conditions. The bridges will not fall down nor become damaged beyond repair, and the Khans will only have to pay more when they eventually come to their senses.

At present they are making out that the road, one way or another, causes them heavy loss, and that they would be only too glad to close it. This makes effective argument for the moment impossible.

5. On my way down, should I find the engineer waiting at the Shalu Bridge, I shall try to induce him to return to Ahwaz. I have written to the Ahwaz Agency on the subject. I would suggest that you should represent my view of the situation, should you agree with it, to the Foreign Office for communication to the Persian Transport Company.

6. Unless they are prepared to do the work at their own expense, it is impossible that at present they should do anything at all, and there is no prospect of recovery from the Khans of the expenses which may have already been incurred in the deputation of the engineer without their concurrence.

It has been impossible for me on the present occasion to enter into a lengthy campaign against the Khans, as all the demands I had to make were final, and did not admit of any alteration. I could only make them, and record the answers. Under other circumstances the Khans might probably have been brought to agree to some expenditure in the present year, but it is unlikely that they would have exceeded their limit of 4,000 *krans*, and I imagine that this would have been inadequate.

7. As regards the Behbahan (Kuhgalu) Governorship, I would favour opposing its being bestowed on the Khans pending the settlement of outstanding compensation claims. (I have a letter from the Khans, in which they demand our assistance in securing this Governorship for them.) They are trying to employ these claims as a lever to secure our assistance, and this is a thing which we should not tolerate. Should they, on the other hand, abstain from this attempt at compulsion and satisfy our claims, I should favour doing anything in our power to assist them towards the acquisition of

the Governorship. It is the one possible solution of the Kuhgalu question, though I query whether the domestic jealousies of the Khans will ever allow the question to reach a solution.

8. The Khans are feeling their way towards independence of external authority, and it is very desirable, both from our point of view and from that of the Persian Government, that they should receive a prompt check. They are not morally qualified for independence.

It has been the custom to believe otherwise, but I am convinced that the Khans have not the slightest attachment to or respect for our interests, where they do not immediately coincide with their own interest of the moment; and if the restraining fear of their own Government is removed, we shall be absolutely at their mercy, which means blackmail and repudiation of their obligations.

However different may have been the circumstances in the past, at the present time it is, in my opinion, desirable that we should try to induce the Persian Government to make common cause with us in resisting the pretensions of the Khans.

9. I would in consequence recommend that the Persian Government be approached without delay on the subject of the Khans' refusal to acknowledge the bill for bridge repairs in 1904 and our claims for compensation on account of the robbery at Qala' Madrassah.

A show of firmness on the part of the Government will, I believe, be sufficient, as in the Batwand case, to bring the Khans to their knees. This having been accomplished, it will be very easy for us to reopen friendly relations with them when considered expedient.

It is impossible to do anything with them in their present state of insolent contempt of all obligations.

The amount of the bridge repairs bill is 14,995*·*17 *krans* for 1904, or with other similar arrears the total claim under this head is, according to the bill I have presented to the Khans, 18,476*·*36 *krans* (*vide* copy attached).

A statement of the robbery claim is attached herewith. In the first item I believe 1,200 *krans* has been allowed per mule. This seems to me excessive. A fair average price would probably not exceed 900 *krans*. It was probably anticipated that the Khans would satisfy the muleteers with less by private arrangement; and as a matter of fact, after I said my last word to-day, I believe that they offered the muleteers 600 *krans* per mule.

I insisted on the Khans giving me a written answer to my claims, and succeeded in extricating from them a document, a copy of which I inclose. The second paragraph, omitted in the copy, is unessential to the considerations dealt with in the present letter.

I have, &c.

(Signed) D. L. LORIMER, *Captain, Indian Army.*

Inclosure 2 in No. 290.

Memorandum of Negotiations with the Bakhtiari Khans at Shalamzar, September 27 to 29, 1907.

THE following Khans were at various times present: the Samsam-es-Saltaneh, the alar Arfa, the Shahab-es-Saltaneh, and the Sarum-ul-Mulk. In contrast with his behaviour at Ramuz, the Samsam was exceedingly polite, and he took a slight, and that a conciliatory, part in the discussion. The chief spokesman was the Shahab, whom the others wanted recognized as having charge of all our concerns, in consideration of which he was to receive the extra 500*l.* a-year from the Oil Syndicate.

Oil Syndicate.—The Khans are sending two agents with me to effect the punishment I demanded at Batwand, and subsequently to eject the offenders from that neighbourhood. They assert that the two principal offenders have taken bast with Sheikh Mustara at Shushter.

This action is, I think, to be attributed to the efforts of the Minister for Foreign Affairs, who, I would gather, has been worrying them.

Otherwise the Khans' attitude remains what it was at Ramuz, as also mine, particularly in regard to the extra 500*l.*

Lynch (Persian Transport Company, &c.).—The Khans refuse to pay the bill for the repairs, &c., of the bridges in 1904, and demand a precise estimate for the operations now proposed. I have informed them that I cannot recommend Lynch to touch the bridges until outstanding accounts are settled.

The Khans promise to pay up the instalment and arrears due for construction, which fell due on the 3rd March, 1907, in this case at Ispahan, and subsequently at Ahwaz. If paid at Ispahan, I have warned them in writing that it is probably that Lynch will demand the equivalent of the cost of remittance from Ispahan to Ahwaz.

The amount due according to the account which I presented to the Khans is 28,550·85 krans.

They refuse to pay compensation for a recent robbery of a caravan of Lynch's at Qala' Madrassah in their territory, attributed to Kuhgalu aiders, and demand that we bring pressure to bear on the Persian Government to make over to them the Governorship of Behbahan. This they held till recently in partnership with Sheikh Khazzal, but they assert that he withdrew from it, and that they followed his example. The real difficulty is that the Bakhtiari Khans have factions attached to them in the Kuhgalu, and when they have differences among themselves they set their factions in motion to commit robberies in their own interests. In the present case I have reason to believe that the stolen property is in fact in the hands of Kuhgalu resident in Bakhtiari territory, though I cannot prove this.

In regard to this matter I have refused all assistance on our part until this compensation is paid up by the Khans. The Khans, with the exception of the Samsam, left here to-day, and I leave to-morrow.

(Signed) D. L. LORIMER.

Shalamzar, September 29, 1907.

Inclosure 3 in No. 290.

BILL of Claims for repairs of Bridges on the Bakhtiari Road.

Date.	Item.	Dr.	Cr.
		Krans.	Krans.
1902	For repairs, &c.	3,062·55	..
1904	Paid into bank .. ..	..	4,601·50
December ..	Balance carried forward	1,538·95	..
		4,601·50	4,601·50
January 1, 1905 ..	Brought forward .. ..	..	1,538·95
March 3, 1907 ..	Interest for 2 years and 62 days, at 6 per cent. ..	..	200·36
1903	Repairs, 10th September to 26th October	1,346·65	..
March 3, 1907 ..	Interest on for 3 years and 128 days, at 6 per cent. ..	873·85	..
1904	Repairs, 22nd May to 9th October	11,995·17	..
	(This bill now presented for first time, hence no interest charged on it.—D. L.)	..	..
	Balance due from Khans on 3rd March, 1907 ..	..	18,476·36
	Total	20,215·67	20,215·67

The above bill presented to the Khans, September 27, 1907.

(Signed) D. L. LORIMER.

Shalamzar, September 29, 1907.

Inclosure 4 in No. 290.

LIST of Claims for Compensation for Losses sustained by the Robbery of a Caravan at Qala' Madrassah (the Bakhtiari) as given in a Letter from Messrs. Lynch Brothers, Ispahan, to His Britannic Majesty's Vice-Consul for Arabistan, dated September 17, 1907.

Muleteer M. Hadayat, Shirazi, as per list, ten mules, two ponies, and sundry effects	Krans.
.. ..	13,533
Muleteer Hajji Hussain, Doodi, as per list, two mules and sundry effects	3,180
Messrs. Ziegler and Co., four bales white shirrings	2,979
Total	19,692

True copy:

(Signed) D. L. LORIMER.

Shalamzar, September 29, 1907.

Inclosure 5 in No. 290.

Bakhtiari Khans to Vice-Consul Lorimer.

(Translation.)
(Extract.)

25 Shaban, 1325.

WE must make the following observations for your information:—

1. With regard to this year's instalment of the Bakhtiari road expenses, which are to be paid to Messrs. Lynch Brothers. As a matter of convenience we request that the current year's instalment be paid at Ispahan, and in future at Naseri.

2. With regard to the mules robbed at Qala' Madrassah, the robbery on this road is committed by Kuhgalu. The fact is clear to every one, and we have often complained to the Persian authorities requesting that we should be allowed to satisfy ourselves by reprisal. Up to the present we have paid 30,000 tomans as compensation for robberies committed on the road in question while the robbers are known. We will not pay any more till we are allowed to punish the Kuhgalus, who are encouraged by the compensation paid by us.

3. With regard to the painting of the bridges. When Mr. Preece was here he arranged with us that the bridge should be painted once in two or three years for a sum of 300 to 400 tomans. Now you inform us that last time it cost 1,500 tomans. We are quite ready to pay 200 or 300 tomans as has been arranged, but not a farthing more.

[38678]

No. 291.

(No. 247.)

Mr. Marling to Sir Edward Grey.—(Received November 25.)

Sir,

Tehran, November 8, 1907.

IN the season of Ramazan political or religious excitement is generally keener, and the fact that the past four weeks have practically coincided with that month has no doubt contributed to the increased unrest throughout Persia. The political horizon seems more threatening than ever, and I can see scarcely a single ray of light to promise better things.

In the provinces the situation seems to be daily growing worse. In Shiraz the prospect has been so menacing that His Majesty's Consul has been obliged to recommend the increase of his guard. In Ispahan and the districts around lawlessness is rife, and the local authorities are so feeble that they cannot, or will not, provide escorts for two parties of Indo-European Telegraph Department officials, who have been detained for more than a month from starting on inspection duties along the line; and to-day I learn from Messrs. Ziegler's agent that the clergy are trying to organize a boycott of European goods. In Kermanshah the prospect of the return of the late incompetent Governor, Seif-ed-Dowleh, has been the signal for renewed disorders. Astrabad, left without a Governor for seven months, is being pillaged with impunity by Turcomans, and the famous "stage of terror" on the Meshed-Tehran road has been the scene of savage outrages by these lawless marauders.

The Imperial Government is quite powerless to deal with the situation; it has no money and no force at its disposal, and, for the same reasons, its orders to the provincial authorities remain inoperative, even when they are not counteracted by the pernicious intrigues of the Shah.

Tehran itself in the last few days of the month has been deeply disturbed by a strong movement to depose the Shah.

Late in October a new Cabinet came into office, for the formation of which the Assembly is solely responsible. It contains on the whole the most capable set of Ministers who have held office since the beginning of the constitutional régime a year ago, and great hopes are reposed in it. As yet I have only come into contact with two of its members, the Prime Minister and the Minister for Foreign Affairs, but I must confess that, although they appear to possess an unusually just appreciation of the situation with all its difficulties, both of them, and especially the former, strike me as wholly lacking in the force of character necessary to deal with the critical situation of the country.

Recent speeches in the Chamber prove that the Cabinet possesses the complete confidence of that body, but nevertheless the weakness which characterized the last Administration is as marked as ever. Even Naser-ul-Mulk, the Prime Minister, is

unwilling to accept the most trifling responsibility unless he is assured that his action has the approval of the Assembly. The Minister for Foreign Affairs is scarcely better, and the transaction of business, even in quite unimportant matters, is exceedingly slow. Executive authority is at a very low ebb; but though it would be easy enough to expedite the affairs of the Legation by dealing direct with the President and more influential members of the Assembly, I have been reluctant to do so for fear of weakening it still further.

As regards foreign relations, the complexion of the present Government should be strongly German, inasmuch as two members of the Cabinet, Sani-ed-Dowleh and Mukhber-es-Sultaneh, have decidedly German tendencies, while Ehtesham-es-Sultaneh, President of the Assembly, and at present the most powerful personality in Persia, is likewise credited with strong German proclivities. Mushir-ed-Dowleh, who has been Minister in St. Petersburg for some years, is likely to be easily influenced by M. de Hartwig, while Naser-ul-Mulk looks to Great Britain for advice and support. It is generally believed that Assef-ed-Dowleh will not long hold the portfolio of the Ministry of the Interior.

It is hard to believe that in a situation where courage and firmness are above all things requisite much will be achieved by a Cabinet presided over by Naser-ul-Mulk, whose timidity and indecision are proverbial.

Three problems appear to me to confront the Government, namely, how to counteract the Shah's intrigues, to find a financial remedy, and, lastly, the frontier dispute.

The first is the most difficult and vital, and its solution, if Naser-ul-Mulk's views—which I propose to give in another despatch—are correct, would seem to depend, in the last resort, on the question whether or no Russia intends to support the Shah against the Assembly to the very end. The language and action of her local agents indicate the belief that she will do so, and if that should prove to be the case the Cabinet is likely to find itself face to face with a crisis with which it is hardly strong enough to deal.

As regards the financial question, a loan seems inevitable. The Treasury is empty, and without money to pay some kind of public force the restoration of order and security is impossible. Naser-ul-Mulk talks optimistically of disbanding the present army and organizing a military gendarmerie on a modest scale. It would probably be the best plan in the circumstances, for I am assured that if the Government were able to give a single sharp lesson to the forces of disorder in any town the rest of Persia would take it to heart. There seems to be no material with which to officer such a force, and above all there is no money. Naser-ul-Mulk recognizes that without Great Britain and Russia nothing can be done, and seems to hope that the two Powers will come to the assistance financially. I have suggested to him that he should await M. Bizot's arrival to give him advice before taking any step.

The frontier question causes the Government the greatest preoccupation. They are fully alive to the dangers which attend it, but they also recognize that the question can only be laid to rest with external assistance, and are determined to avoid unnecessary risks.

I have, &c.
(Signed) CHARLES M. MARLING.

[38679]

No. 292.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 248.)

Sir,

Tehran, November 8, 1907.

I HAVE the honour to transmit herewith the Monthly Summary of events and the Summary of Proceedings of the National Assembly during the last four weeks.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure 1 in No. 292.

No. 12.—*Monthly Summary of Events in Persia.*

Tehran.

A NEW Cabinet was formed on the 26th October by the National Assembly and approved by the Shah. The members of the new Cabinet are as follows:—

Minister of Finance and President	..	Naser-ul-Mulk, G.C.M.G.
Minister of the Interior	.. ..	Assef-ed-Dowleh.
(Including posts, telegraphs, municipality, police, &c.)		
Minister of Foreign Affairs	.. ..	Mushir-ed-Dowleh, G.C.M.G.
Minister of Justice	.. ..	Mukhber-es-Sultaneh.
Minister of War	.. ..	Mustaufi-ul-Mamalek.
Minister of Education	.. ..	Sani-ed-Dowleh.
(Including public works, mines, roads, forests, &c.)		
Minister of Commerce and Customs	..	Motamin-ul-Mulk.

Assef-ed-Dowleh, the Minister of the Interior, was Governor-General of Khorassan until the spring of 1907. He was dismissed at the instance of the National Assembly, having been charged with complicity in the sale of Persian women and children to the Turkomans. He was tried at the Ministry of Justice by Prince Farman Farma and found "not guilty."

Mushir-ed-Dowleh is the eldest son of the late Mushir-ed-Dowleh, whose title he inherited. He was until lately Minister at St. Petersburg.

Motamin-ul-Mulk is the younger brother of the Foreign Minister.

Mukhber-es-Sultaneh and Sani-ed-Dowleh are brothers. The latter was President of the National Assembly until the beginning of September.

All the members of the Cabinet, with the exception of the Minister of the Interior, are highly educated Persians of the modern school, each knowing one or two European languages.

2. At the end of October the well-known preacher, Seyed Jemal, caused some sensation by delivering inflammatory sermons at the mosques directed principally against the Shah, and to the effect that England and Russia were about to divide the country between them. The Shah he described as entirely indifferent to the real welfare of the country, and he urged the people to sell their liberty dearly. He further extolled the murderer of the Atabek, who, he said, had gone straight to heaven. Another well-known preacher thereupon preached in the opposite sense, and considerable excitement ensued, which was quelled with some difficulty. The whole movement was attributed to the Shah's intrigues, and a young man of good family, addressing a large gathering at one of the mosques, openly declared that the Shah was responsible for all the trouble, and should be deposed. The idea of deposing the Shah was soon after seriously discussed by the local Committees, and some of them sent a delegate to sound the Zil-es-Sultan as to his policy, with a view to his being placed on the throne. The Zil stated to a member of His Majesty's Legation that he was very guarded in his answers, but that at the urgent demand of his visitor he wrote and sealed a statement in a Koran to the effect that his principles were constitutional, that he was a Freemason, and was consequently debarred from joining any other Society, but that he would lay down his life for "equality, fraternity, and liberty."

3. The Tehran "Habl-ul-Matin" was suppressed by the National Assembly for having published an article advocating freedom of religion. It has since been permitted to appear, and has resumed its campaign against the Anglo-Russian Agreement. The tone of this paper is more anti-foreign than ever.

4. A remarkable incident occurred on the night of the 29th October at one of the principal mosques, where many thousand men and women were at prayer. Some unknown Seyeds created a panic, firing revolvers and striking each other with sticks. During the stampede, which caused a number of casualties, they succeeded in securing a considerable amount of loot. This incident was also attributed to the Shah's agents.

5. His Highness Amir Azam has proceeded to Resht as Governor-General of Ghilan. Nizam-es-Sultaneh has left Shiraz without instructions, and is on his way to Tehran, leaving the Province of Fars to look after itself. A successor has not yet been finally decided upon. Ala-ed-Dowleh is being urged to go, but insists that the Kavam-

ul-Mulk and his sons, as well as several other disquieting elements, should be prevented from interfering in the affairs of the province. The Governor of Kerman has been recalled, but no successor has yet been appointed. Vezir Makhsoos is a candidate.

6. The German Commercial Attaché at Constantinople, Kurt Jung, is about to make a very extended tour in Persia. His proposed itinerary is Askabad, Shirvan, Meshed, Turbat-i-Hayderi, Kain, Birjand, Jezd, Kerman, Bam, Bunder Abbas, and other ports of the Persian Gulf. The German Minister has told him that, in view of the disturbed state of the country, he had better come to Tehran and discuss the possibilities of the tour.

7. The German Minister has been summoned to Berlin. His Majesty's Chargé d'Affaires has heard from a secret source that he will be appointed Under-Secretary for Foreign Affairs. Baron Richthofen will return as Chargé d'Affaires.

8. The Chief Manager of the Imperial Bank states that the son of an important Member of the Assembly informed him, in the middle of October, that a group of Members meant to make a determined attack on the Bank by sending out advices to present notes in the provinces, and organizing a similar conspiracy in Tehran. Mr. Rabino believes that this is merely an attempt at blackmail, and, indeed, money was mentioned. He, however, answered that on no consideration would the Bank give a single toman to prevent such an attempt, but that if a hostile movement were made he would know how to deal with it.

9. His Majesty's Legation has learnt from a secret source that the Persian Representative at St. Petersburg has telegraphed to the Minister for Foreign Affairs that the Russian press is publishing articles regarding the visit of General French to the Russian capital, in connection with a scheme supposed to be in contemplation for a combined Anglo-Russian military advance into or through Persia. He stated that he had made representations to the Russian Foreign Office on the subject, but had been told that the matter was of no importance, and asked for instructions. The Foreign Minister, in reply, telegraphed that the matter was indeed important, and must be officially denied.

10. The Malek-et-Tujjar, who had been for several months in refuge at the Russian Legation, has at last been handed over to the Persian authorities. The British claims on him are now again being pressed.

11. The grave of Abbas Agha, the murderer of the Atabek, was defiled by an unknown person, who left a statement in writing to the effect that he was a muleteer.

12. The Tehran "Habl-ul-Matin" has published an article commenting on General French's visit to St. Petersburg, and has reproduced some articles which appeared on the subject in the Paris "Eclair," quoting an article on the subject in the St. Petersburg "Russ." They suppose that General French's visit is in connection with a joint Anglo-Russian military occupation of some part of Persia. The "Habl-ul-Matin" is violently anti-foreign in its issues of the 6th, 7th, and 8th November, and calls upon the people to wage a "jihad" against the foreigners who are about to divide Persia between them. The paper is widely read, and if these articles continue there cannot fail to be an unfortunate result.

(Signed) G. P. CHURCHILL,
Acting Oriental Secretary.

Tabreez.

1. The district of Khoi continues disturbed, the Commission sent there having failed to settle the dispute. Ekbal-es-Sultaneh is blocking the roads, including that to Trebizonde, with the result that trade, including English trade, is suffering.

2. The forty-three cases of Russian cartridges were admitted on receipt of an order from the Shah countersigned by the Assembly.

3. The Governor appears to be giving the revolutionaries a free hand, being afraid of meeting the same fate as the Atabek. Justice is administered, even in cases of murder, by the local Assembly.

4. A murderer took refuge in the British Consulate-General, but Mr. Stevens had him turned out. He was arrested by the revolutionaries, who handed him over to the relatives of the murdered man. The latter brutally murdered him in the streets.

5. Cholera being reported at Baku, quarantine was established at Julfa, Shahtakhti, and Khodaaferin, doctors having been sent from Tabreez.

Resht.

1. Vezir Akrem has been dismissed from the Governorship of Ghilan, and Amir Azam has been appointed in his place. The latter arrived on the 3rd October and repeated the expressions of friendship towards Great Britain which he had already used in conversation with a member of His Majesty's Legation before leaving Tehran. Since his arrival he has taken energetic steps to put an end to disturbances which are now less frequent than before.

2. Between the 27th September and the 11th October there were two cases of cholera at Astara.

3. The Russian Government intends to appoint Consuls at Enzeli, Ardebil, Shiraz, and other places in Persia.

Meshed.

1. The Russian Consul-General is reported to have received 100 rifles and 60,000 rounds of ammunition.

2. The present Meshed Assembly, being irregularly constituted, has been given ten days by the National Assembly in which to dissolve and arrange for new elections. The members are unwilling to yield their newly gained power, and wish to elect the new Assembly from the existing one. To this the Meshed volunteers object.

3. Deregez and Tabbas continue disturbed. At Tabbas the hereditary Governor Emad-ul-Mulk has been reappointed Governor.

4. The Kuchan Assembly has fixed the revenue Kuchan is prepared to pay, and will resist with force any attempt to exact more.

5. The upper classes in Meshed, to judge from their remarks on the Anglo-Russian Agreement, appear to be in favour of the occupation of Persia either by the Russians or by the British, preferably the latter.

6. The Persian Government has ordered the establishment of a cholera quarantine on the Khorassan-Turkistan frontier. It has been secretly suggested that it should be intrusted to the Russians.

Ispahan.

1. Caravans continue to be robbed on the Ispahan-Yezd and Ispahan-Shiraz roads. Near Yezdikhist a party of over 100 robbers made off with eighty-four mules and donkeys loaded with piece goods, opium, &c.

Seistan.

1. His Majesty's Consul reports that during his summer tour in the Kainat he everywhere met with the friendliest reception, and he is of opinion that such tours help to increase British prestige.

2. Captain Kelly, I.M.S., left Seistan on the 13th September. The work of his hospital had been much appreciated by all classes, including the priests. Only a hospital assistant now remains in charge, and Major Kennion greatly regrets the fact.

3. It is rumoured that a new telegraph office is to be set up by the Russians at Birjand.

4. M. Nekrassoff told His Majesty's Consul that the Russian Consular office in Seistan is a Vice-Consulate and that M. Bravine is officiating Vice-Consul.

5. The struggle between the Deputy Governor and the local Assembly culminated in a riotous demonstration against the former. His Majesty's Consul was instructed to act in concert with his Russian colleague and endeavour to restore order. His Majesty's Consul anticipates that, owing to the preponderance of the clerical element, the Assembly will have anti-foreign tendencies.

6. M. Duhem has been relieved as Director of Customs, Posts, and Passports by M. Mornard.

Kerman.

1. Two caravans have been looted on the Kerman-Bunder Abbas road, four drivers being killed in one case.

Merchants have telegraphed to stop the dispatch of any more goods until the state of the roads have improved. The post from Bunder Abbas has also been robbed.

2. The disturbances due to the elections for the local Assembly continued during October. The Governor seized the popular leader, Nazim-ut-Tujjar, and deported him. Subsequently he ordered his troops to fire on the mob, who had come to demand the return of their leader, and five or six people were killed and several were wounded.

The crowd took refuge in the British telegraph office and the Russian Consulate, and telegraphed to Tehran demanding the removal of the Governor. The matter was taken up by the Tehran National Assembly and the Governor was dismissed, but so far no one has been definitely appointed to succeed him.

Kermanshah.

1. Turkish troops, according to one report three battalions, and according to another 400 men, are reported to have arrived at Khanikin. Two Turkish soldiers are stated to have been killed by tribesmen on the Persian side of the frontier.

2. Zahir-ed-Dowleh was stated to have been dismissed from the Governorship and Saif-ed-Dowleh was named as his successor. The latter was Governor of the province during the riots of last summer and was considered to be in a large measure responsible for them. His Majesty's Chargé d'Affaires consequently made representations on the subject to the Persian Government and received an assurance that Saif-ed-Dowleh would not be appointed.

3. Captain Ushakoff, Infantry Instructor of the Persian Cossack Brigade, with ten Persian Cossacks, passed through Kermanshah on the way to Urmia from Tehran about the middle of October.

Shiraz.

1. Several minor British claims have lately been settled and compensation has been paid for the property of Residency messengers stolen when the official bags were robbed; major claims, however, remain unsettled.

2. A certain Seved Abdul Hussein Lari arrived at Shiraz on the 13th October with seventy followers to support the "Majliss-i-Milli" which was agitating against the return of the Kavam-ul-Mulk and his sons. He is stated to have been invited and paid by Motamid-i-Divan. He was welcomed by the bulk of the population, his avowed intention being to break the power of the Kavamis. On the 18th October, a Friday, the Imam Jume'h having declined to allow the Lari Seyed to conduct the prayers at the mosque, proceeded there escorted by armed men to conduct them himself. The Lari Seyed's adherents opened fire on the Imam Jume'h's party, who replied. One man was said to have been wounded. Both parties then raced for the telegraph office, the Kavamis getting in and shutting out the Seyed's party. Later in the day some Kavamis surprised some of their opponents and wrested nine rifles from them. From the 18th October to the 23rd the disturbances continued, with occasionally brisk firing from the Persian telegraph office held by 400 Kavamis, and a mosque held by 1,000 of the Seyed's party. On the 20th October the Nizam-es-Sultaneh, who from the 17th October to that date had remained outside the town, declining to conduct the administration of Fars, resumed the conduct of affairs. On the 22nd October a follower of the Seyed was shot dead and two others were wounded. On the 23rd October the bazaars were partially closed, all business being practically suspended. At the end of October firing went on in the streets and the situation was worse than ever, as the Nizam-es-Sultaneh left Shiraz for good. The latest news received at Tehran, the 6th November, was that the situation was calmer.

3. A German subject was waylaid by robbers a little distance from Shiraz and robbed of everything he possessed.

PERSIAN GULF.

Bushire.

1. The dispute over the elections for the local Assembly continues. The National Assembly has telegraphed that six Members are to be elected by the guilds, but no election has yet taken place.

2. Two Cossacks for the Russian Consulate-General landed on the 9th September from the Russian merchant-steamers "Euphrates" in relief of one Cossack.

3. On the 12th October M. Waffelaert handed over charge of the Customs to M. Constant, Assistant Director. He was to leave for Europe a day or two later.

Bunder Abbas.

1. On the 8th September ten Cossacks were landed for the Russian Consulate.

2. A large caravan, partly owned by eleven British-Indian subjects, who accompanied it, was robbed on the Kerman-Bunder Abbas road in September. Claims to the amount of over 1,700 tomans have been lodged at the Consulate.

Lingah.

1. Serious rioting took place owing to the Persian Director of Customs insisting of examining the personal effects of pilgrims. The Director was roughly handled. The Customs were closed, and trade paralyzed. The Governor, the Darya Beggi, arrived on the 22nd September and held an inquiry; the parties were reconciled, and the Customs reopened; but the same afternoon the Director addressed his followers, urging them to close their shops and insist on redress being afforded him by the Governor. The Director of Customs at Bushire is replacing the Director, and the Deputy Governor has been dismissed for not aiding the Customs staff during the riots.

Ahwaz.

1. His Majesty's Vice-Consul arrived at Batwand accompanied by a representative of the Bakhtiari Khans, and the ringleaders in the recent troubles at the Oil Syndicate's works were soundly beaten in his presence.

2. His Majesty's ship "Comet," which was ordered to Ahwaz, failed to get nearer than within 4 miles of that place on account of the shallowness of the river, and has now returned down stream.

Mohammerah.

The Sheikh has resigned the Governorship of Behbahan, and has recalled his deputy, finding it impossible to carry on the administration without support from Tehran. He recently raised a force and subdued a rebellious tribe, the Beni Turuf, and not only were his expenses refused to him, but he was told the National Assembly disapproved of his using force.

(Signed) C. B. STOKES, Major,
Military Attaché.

Supplement to Monthly Summary, November 8, 1907.

Ispahan.

In Ispahan and the districts around lawlessness is rife, and the local authorities are so feeble that they cannot or will not provide escorts for two parties of Indo-European Telegraph Department officials who have been detained for more than a month from starting on inspection duties along the line. His Majesty's Legation has made repeated but fruitless efforts in the matter. The clergy are trying to organize a boycott of European goods.

Meshed.

Astrabad has been left without a Governor for many months, and is being pillaged with impunity by the Turkomans. The famous "stages of terror" on the Meshed-Tehran road have been the scene of savage outrages by these lawless marauders. They are said to have killed eighty-three persons, and that their own casualties were forty. They later on attacked the copper mine near Miandasht, killed seven men and captured fifty women and many sheep. The latest news is that they have since been repulsed by the villagers at another place on their retreat, and that the women and sheep were rescued. The Assembly appointed Sepahdar to lead a punitive expedition against them, but this official apparently now refuses to proceed, and the President of the Assembly said in the House that a foreign Minister was responsible for his refusal. The "Habl-ul-Matin" newspaper says this Minister is M. de Hartwig.

(Initialled) C. B. S.

Inclosure 2 in No. 292.

Proceedings of the Persian National Assembly from October 12 to November 7, 1907.

October 12.—A Member inquired whether the French financial expert was being engaged to advise the Finance Minister, or whether he was coming to manage the National Bank. After some debate on the subject, it was agreed that he must be engaged in either the one capacity or the other, but not both. The President said

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that the Governors-General of Fars and Azerbaijan refused to be held responsible for the revenues of their respective provinces. It was suggested by some of the members that they both made difficulties in order to be recalled to Tehran and appointed Cabinet Ministers.

October 13.—The Ministers of Finance and Foreign Affairs were present. The question of the Fars revenue was again brought up, and the Minister of Finance (Kavan-ed-Dowleh) was asked whether he would undertake the responsibility for its collection. He replied in the negative, and was told that in that case he must resign. A lengthy debate ensued during which the Finance Minister was asked whether it was true that the Shah had issued drafts on the Customs, which he denied.

The Minister of the Interior (Mushir-es-Sultaneh) then entered the House, accompanied by Mushir-ed-Dowleh, who had just arrived from St. Petersburg, and was introduced as the new Minister of Justice. Mushir-ed-Dowleh was well received and made a speech thanking the Members for their good reception.

October 15.—The Kerman outbreak was discussed, and the action of Nosret-ed-Dowleh, the eighteen year old Governor of the province, was severely criticized. The President was particularly severe, and read a letter which had been addressed to him (privately) by the British Chargé d'Affaires, transmitting a copy of a letter written by him to the Foreign Minister embodying the grievances of the people of Kerman. One of the Members took exception to the reading of a private letter from a foreign Representative to the President. After considerable debate it was decided to dismiss the Governor of Kerman. The question of sanctuary was again discussed. A Kerman Member urged the desirability of appointing separate Governors for Kerman and Baluchistan, which the President said met with the Shah's approval.

October 17.—The President said that the Zil-es-Sultan and the Naib-es-Sultaneh refused to subscribe to the National Bank; that he was not unable to force them to pay, but that he merely wished to announce the facts to the House. An excited debate ensued, and one of the spectators rose saying that they would be forced to pay at the muzzle of the revolver. The rest of the sitting was devoted to the reading of the Bill dealing with press laws.

October 19.—The Finance Committee, having terminated their labours after several months' work, handed in their Report. They found that 700,000 tomans remained outstanding from last year's pension list, of which they recommended the payment of 50 per cent., but only to those persons who are dependent for their living on such pensions. The Committee stated that so far the sum of 320,000 tomans had been collected as an internal loan. The President then announced that the Zil-es-Sultan and the Naib-es-Sultaneh had both approached him since the last sitting regarding their subscriptions. The recommendations of the Committee regarding the internal loan, the National Bank and the pensions were debated at some length and were eventually adopted by a majority of votes.

Mohtashem-es-Sultaneh, who had been chosen as Commissioner on the Turco-Persian boundary, having made difficulties regarding his departure, considerable pressure was brought to bear upon him by the House. The President, who offered to again proceed himself to the frontier, gave some particulars regarding the latest advances into Persian territory made by the Turkish troops. It was unanimously agreed that if Mohtashem-es-Sultaneh refused to proceed he must be dismissed from the service of the State.

October 20.—The unrest in Fars was discussed, and it was said that the trouble was due to the intrigues of the Kavan-ul-Mulk. The debates on the subject were very long, but before rising the House resumed a discussion on the subject of the Turkish advance on the western border.

October 22.—During the two preceding days the reconstitution of the Cabinet had been considered by the Shah, on the recommendation of the President. The President having been summoned to the Palace, the chair was taken by Amin-uz-Zerb. The debates were chiefly on the subject of the Finance Committee's proposals for financial reforms, during which it was pointed out that six months ago the Minister for War (Naib-es-Sultaneh) gave a list purporting to represent the sums required for the army, amounting to 22,000 tomans. It was stated 300,000 tomans had been paid to him, but that the original 220,000 tomans remained outstanding. It was decided to make careful inquiries on the subject. Various other subjects were then discussed.

October 24.—A very long debate on the financial question engaged the House during the whole afternoon. It was admitted that out of the 320,000 tomans subscribed only 12,500 tomans was in cash, the remainder being treasury receipts. One of the Members declared that it was childish to continue talking of a National Bank or an

internal loan, and most of the Deputies agreed with him. Taki Zadeh endeavoured to look upon the situation with some optimism, but did not find any sympathizers, the general feeling being one of great depression. Taki Zadeh, however, laid stress upon the principle that the National Assembly was not called upon to undertake the administrative work of the Government, and urged the necessity of forming a strong Cabinet to carry on the work of administration and reform without delay.

It was generally known, however, that the new Cabinet had already been formed, and would attend the House at the next sitting.

October 26.—The new Cabinet attended, and was introduced in the following order:—

Naser-ul-Mulk, G.C.M.G.	..	..	Minister of Finance and President of the Council of Ministers.
Assef-ed-Dowleh	..	..	Minister of the Interior.
Sani-ed-Dowleh	..	..	Education and Public Works.
Mushir-ed-Dowleh, G.C.M.G.	..	..	Foreign Affairs.
Mukhber-es-Sultaneh	..	..	Justice.
Mustaufi-ul-Mamalek	..	..	War.
Motamin-ul-Mulk	..	..	Commerce and Customs.

They were very well received, having, in fact, been chosen by the House. The President, after thanking the Members for their friendly words of welcome and praise, briefly sketched the programme the Cabinet had drawn up. In the first place they intended to follow the letter of the Constitution faithfully; secondly, they would endeavour to restore order in the country; thirdly, they intended to introduce reform in the army; and, fourthly, they proposed to reform the finances. After these preliminaries, one of the Members reminded the Foreign Minister that no answer had as yet been given to the British and Russian Legations regarding the Anglo-Russian Agreement relating to Persia. He said that various things had been said regarding the attitude of Persia towards this Agreement, and the "Times" had said that it was well-received in this country, whereas the National Assembly must be understood to protest vehemently against it. The Foreign Minister replied that he would give the matter his immediate serious attention. Taki Zadeh reminded the Ministers of their responsibility to the House for all concessions given, and, in fact, for all their acts.

October 27.—The sitting was devoted to the reading of the outstanding Articles of the Bill for the Ministry of the Interior. It was opposed on some important points by the clerical element, but was eventually passed by a majority.

October 30.—The "Habl-ul-Matin" newspaper having been suppressed for some days at the demand of the Assembly, the question of again permitting its circulation was discussed, but it was decided to leave the matter in the hands of the responsible Minister. The draft of a telegram was read, prohibiting persons in the provinces from taking sanctuary at the Consulates or the telegraph offices. The attendance was small.

October 31.—The principal topic of interest under discussion was the depredations caused near Shahrud (between Tehran and Meshed) by the Turkoman tribesmen. The President announced the appointment of Sepahdar (Administrator of Telegraphs) to command a punitive expedition. A telegram was read from Ain-ed-Dowleh (ex-Grand Vizier) promising his support to the National Assembly, and offering some of his estates towards the national funds. Some discussion ensued on the subject, and it was announced that the Zil-es-Sultan had subscribed 70,000 tomans, but that the Naib-es-Sultaneh had so far given nothing.

November 2.—The sitting only lasted an hour and a-half, and was poorly attended. The President stated that Mohtashem-es-Sultaneh had at last decided to leave for Urmia the following day. A Member said that the Foreign Minister had replied to the British and Russian Legations regarding the Anglo-Russian Agreement, and must be interpellated on the subject.

After sunset the Cabinet attended a private sitting and discussed various subjects with the Deputies, including the appointment of new Governors for Kerman and Fars, and the Telegraph Administration.

November 3.—A letter from the Zil-es-Sultan was read, protesting against the reduction by the House of his Government allowance. Taki Zadeh observed that the Zil-es-Sultan's attitude was most unjust, as he was a very rich man and the finances of the country were in a very bad way. The Minister for Foreign Affairs (Mushir-ed-Dowleh), who was present, was interpellated on the subject of the answer given to the British and Russian Legations. In reply he quoted the terms of the note addressed the

previous day to the two Legations, which he had committed to memory. The statement was received with loud cheers. A letter was then read from Sepahdar, making certain conditions before starting on the punitive expedition against the Turkomans, one of which was the release from prison of Salar Mufakham, who had been condemned for complicity in the sale of Persian women to the Turkomans. Sepahdar stated that he required the services of the Salar in these operations, and that, should his expedition prove successful with the Salar's assistance, it would be a fitting occasion to pardon him. This proposal was rejected by the House. The President made some remarks of a personal character, indicating that there was intrigue on foot against him.

November 5.—Mirza Abdul Hassan Khan, in a crowded House, read his speech in the following terms:—

"Our country is being torn to pieces by internal strife and intrigue. I draw your attention to the words used by the Foreign Minister in his answer to the British Legation regarding the Anglo-Russian Agreement, in which he referred to the independence of Persia. This independence will only continue to exist if we can lay aside our internal dissensions and party strife. Our only salvation is unity. The whole country is at present in turmoil and excitement; not one province is at peace. If this strife continues, matters will go from bad to worse, and the country will be lost. The integrity and independence which we all hear has been guaranteed to the Shah (may our souls be the sacrifice of His Majesty's throne and crown!) will be like the independence and integrity guaranteed to the Emperor of Corea by Great Britain and Japan in their Treaty. Where is the former Emperor's independence? What has happened to the independence of Corea? I implore you to unite and save the country while you still have a chance. . . ."

Other Deputies followed in the same sense, and referred to Egypt and Morocco. Some Deputies urged the necessity of a well-trained army, others reiterated the urgent need of money. One Member said the first thing to do was to restore order in the provinces. Another pointed out that an Assembly which could not keep order within its own doors could not be expected to keep the country in order. The President, to illustrate the difficulties with which the country had to contend, stated that, though the Turkomans were devastating a whole district on the high road from Tehran to Meshed, they could not get one of the officers of the State to proceed there, simply because he was advised by one of the foreign Representatives not to go. (The President clearly referred to Sepahdar and the Russian Minister.) In fact, one of the foreign Ministers, he said, had sent a message on the subject to the Cabinet.

Some debate followed on the proceedings of the rival preachers representing the conflicting elements, who nearly brought about a serious conflict a few days previously. Throughout the debate it was apparent that the House had confidence in the Cabinet, and was willing to leave matters to a great extent in the hands of the new Ministers.

November 7.—There was some debate on the subject of the appointment of Committees to deal with the following subjects: Foreign Affairs, Interior, Justice, Finance, Petitions, Administration. It was decided to select the Members by vote at the sitting of the 9th November.

Some discussion followed on the proposal to form a volunteer army to replace the present army, which it is proposed to disband. Taki Zadeh spoke at some length in favour of the scheme, and was followed by the President, who also favoured it. The latter said that the Council of Ministers would discuss the matter fully on the 9th instant. Regarding a deputation to wait on the Shah the following day on the occasion of a religious festival, some of the Members observed that the Shah had not yet been to the House, and that he had not yet taken the oath prescribed in the Constitution. While this discussion was in progress a Court official came to the House with a letter from the Shah inviting a deputation to wait on him the following day. A deputation was thereupon selected.

(Signed) G. P. CHURCHILL,
Acting Oriental Secretary.

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No. 293.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 249.)
Sir,

Tehran, November 8, 1907.

I HAVE the honour to transmit to you herewith the diaries of Captain Smyth, Military Attaché at Meshed, Nos. 39, 40, 40 A, 41, and 42.

I have, &c.

(Signed) CHARLES M. MARLING.

Inclosure 1 in No. 293.

No. 39.—*Diary of Military Attaché, Meshed, for week ending September 28, 1907.*

Summary of News.

(Secret.)

GENERAL GRODEKOV is on a tour of inspection. He has made a thorough inspection of Samarkand, taking eight days over it, and finding considerable fault with various things, especially with the condition of the soldiers' equipment and of the stores generally.

2. Cholera is apparently making no headway in Turkestan; only a few cases, mostly near the Caspian, have been reported.

3. Garrison reports from Charjui and Tashkent show the garrisons there to be practically unaltered since last reports.

4. Sarakhs reports that a large Herati kafilā, laden with Russian goods, has passed through from Merv *en route* for Herat. This seems an unusual route, the usual way being via Takta Bazaar and Penjdeh. It is, however, quite possible that work on or near the Kushk Branch Railway (see last week's diary), makes the Russians unwilling to have strangers moving near that branch just now.

5. Sarakhs seems to be quite a supply centre now. Our newswriter reports 2,000 sheep purchased for Merv and 2,000 camel-loads of forage sent to Pul-i-Khatun at the same time. Probably most of these supplies come from Persia, brought over openly or with the secret connivance of the Persian authorities.

"Transcaspian Review."

September 17.—A bomb factory has been found in Tashkent; three men were arrested.

Four men have been shot in Tiflis by order of court-martial.

"Turkestanskiya Vedomosti."

September 14.—General Grodekov arrived at Samarkand on the 7th September, and inspected the station and garrison there on the 8th and 9th.

(See our Samarkand report, which shows that the inspection was considerably prolonged.—H. S.)

There has been a case of cholera at Mangishlak (north of Krasnovodsk.—H. S.).

A fatal case of cholera has occurred in a passenger train (on the C. A. Railway (?)).

An attempt has been made to murder the Chief of the (C. A.) Railway at Kokand. (This seems to be the same attempt reported in diary No. 37.—H. S.)

Askabad Reports.

September 17.—Five guns and five ammunition waggons came in by rail from W. They were covered up, so it is not possible to say what kind they were.

September 18.—Several waggons full of soldiers passed through during the night.

Sarakhs Reports.

September 10.—A Herati kafilā arrived from Merv *en route* for Herat. This kafilā consisted of 100 Heratis, who were in charge of 150 camels, 45 donkeys, and 2 horses, all laden with goods. They took a permit from the Russian authorities at Sarakhs, and then left for Herat.

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September 11.—A Russian school for Turkoman children has been opened.

September 12.—A Merv meat contractor has purchased 2,000 sheep here for the Merv garrison.

September 19.—2,000 camels laden with barley, dry lucerne, and other forage left for Pul-i-Khatun.

More night firing has been carried out lately by the Cossacks and infantry here.

Charjui Reports.

September 2.—A mixed party, fifty strong, of the 20th Turkestan Battalion and Transcaspian Sapper Battalion, with two officers, came in by steamer from upstream.

September 3.—The Transcaspian Sappers of the above party left by rail W.

September 4.—Forty men for the 19th Turkestan Battalion came in by rail from E.

September 6.—Twenty cases of rifles came in by rail from E.

September 8.—Fifty soldiers passed through W. by rail.

Strength of the Garrison (this garrison report is not by the same man as that submitted in diary No. 37.—H. S.) :—

17th Turkestan Battalion.

Detachments of 18th, 19th, and 20th Battalions, amounting to 800 all told.

300 men of the 1st and 2nd Railway Battalions.

200 men of the Ami Darya Flotilla.

20 artillerymen of the 2nd Brigade.

Samarkand Reports.

September 15.—General Grodekov, Governor-General of Turkestan, left towards Charjui. He has been here for the last eight days, inspecting the troops, stores, equipment, &c. He came here for a three days' inspection; but he was so dissatisfied with the state of things, particularly with the bad state of the soldiers' equipment and military stores, that he stayed here five more days and inspected closely the contents of all the store-houses, magazines, &c. Several senior officers were severely reprimanded.

The 320 men of the Zerabulak Reserve Battalion who went to the Andijan Branch Railway have not returned yet.

Tashkent Reports.

September 2.—An officer with twenty Cossacks left by T. O. Railway (apparently not time-expired, but on some duty.—H. S.).

September 5.—Five waggons full of soldiers, believed to be time-expired, passed through last night northwards.

September 6.—Another officer and twenty Cossacks left by T. O. Railway.

September 7.—Twenty men of the 1st Artillery Brigade came in by C. A. Railway.

September 8.—One officer, two soldiers, and one Armenian have been condemned to death for selling and receiving Government rifles, revolvers, and ammunition from the magazine here.

I have seen some men of the Transcaspian Sapper Battalion in the market buying supplies, and have found out that the party of this battalion which has been encamped on the C. A. Railway near Tashkent all the summer is still there.

Troops in garrison at Tashkent :—

1st, 2nd, 3rd, and 4th Turkestan Battalions.

Khojent and Tashkent Reserve Battalions.

5th Orenburg Cossacks.

500 men of the 1st (Astrakhan) and 2nd (Ural) Cossacks.

25 Cossacks with badge "O."

Artillery and details as usual.

(Signed)

H. SMYTH, Captain,
Military Attaché.

Meshed, September 28, 1907.

Inclosure 2 in No. 293.

No. 40.—*Diary of Military Attaché, Meshed, for week ending October 5, 1907.*

Summary of News.

(Secret.)

TASHKENT reports arrival of 200 recruits and departure of 1,200 soldiers by T. O. Railway. Newswriter does not say the latter are time-expired, but it seems likely, as the annual training has just been concluded, and it is the usual time for men to leave.

2. In confirmation of this, Askabad, Sarakhs, Merv, and Charjui definitely mention the departure of parties of time-expired men.

3. General Grodekov, after leaving Samarkand, is proceeding to Katta Kurgan, Charjui, Petro-Alexandrovsk and Termez (Patakisar).

4. According to our Patakisar newswriter, General Grodekov's arrival in the Oxus Frontier Province is timed to correspond exactly with the Ameer Habibullah Khan's arrival in the frontier province of Balkh. There is no suggestion of a meeting between the Ameer and the Governor-General. The only suggestion is that the Russians are remarkably well informed of the Ameer's movements.

5. The Afghans and Russians have been practising with guns and rifles, each on their respective sides of the Oxus at Patakisar. If either side wished to provoke a frontier incident, such proceedings are admirably adapted for that purpose. But we have no reason to believe that either the Afghans or Russians are in an aggressive mood now.

6. Two gun-boats are coming from the Baltic to the Caspian via the Volga. The Russian newspaper remarks that these are not intended for offensive purposes against Persia—rather a case of *qui s'excuse*, &c.

7. Railway accidents are reported this week on the Caucasus, C. A., and T. O. Railways.

8. Both the Russian newspaper and our Askabad correspondent report the arrival of a Japanese General and two Japanese officers at Askabad, during the course of a tour they are making through C. A. from Tashkent to Krasnovodsk.

9. Askabad reports that about 200 workmen have passed through eastwards, it is believed for work on the Kushk branch.

10. This report is confirmed by Merv agent, who says these men are for work at Yulatan and Band-i-Sultan.

11. Garrison report from Kahka shows both the usual batteries to be there, i.e., the Cossack H.A.Q.F. battery and the howitzer battery. The only unusual feature is the presence there of fifty men of the Army Hospital Corps, which looks as if there was some intention to establish a quarantine or segregation camp at Kahka in case of cholera, for which purpose it is well suited.

12. Garrison report from Merv shows the garrison to be practically unchanged since last report, all corps being present, but considerable detachments being absent on the railway or elsewhere. The Transcaspian Sapper Battalion seems to be coming back to Merv from near Tashkent in small parties, 400 being noted present, as against 300 in last report. This is confirmed by reports of movements of small parties of Sappers along the C. A. Railway.

13. Our Askabad newswriter reports that the 400 Lesghian Cossacks from Daghestan, whose arrival via Krasnovodsk was noted in diary No. 35, are now distributed as follows :—

At Krasnovodsk and Kizil Arvat..	..	..	..	..	..	50
„ Askabad ..	..	..	..	..	..	100
„ Merv ..	..	..	..	..	..	100

The rest are distributed in small parties at different places in the Transcaspian Province, mostly as personal escorts to special Pristavs and officials who are in particular danger of assassination at the hands of the revolutionaries.

"Transcaspian Review."

September 19.—A case of cholera occurred in a train. The sick man and the other persons who were liable to infection were taken out and segregated at the station of Djusal (I cannot trace this station on the C. A. or T. O. Railways; it

may be some wayside place, not a proper station.—H. S.). The first person attacked died, and on the 10th September another case occurred among those under observation at Djusal, which case has also terminated fatally.

A landslip has occurred on the Caucasus Railway 19 versts from Tiflis. Part of the railway has been carried away, and the traffic has been interrupted.

September 20.—On the 14th September General Grodekoff left Samarkand for Katta Kurgan. From there he is going to Charjui, Petro-Alexandrovsk, and Termez.

September 23.—There are now 309 patients in the Askabad hospital, of whom 268 are soldiers.

Two gun-boats are coming to the Caspian from the Baltic via the Volga. These war-ships are to guard the Russian frontier and are not specially intended for offensive purposes against Persia.

There has been an accident on the Kars branch of the Caucasus Railway, and the line is interrupted.

September 26.—Just after the mail train left Tashkent on the 23rd September (? T. O. Railway) a gang of robbers uncoupled the last two carriages on the train and robbed two cashiers of 11,000 roubles, with which they were travelling. One of the cashiers was killed.

September 27.—Yesterday a Japanese General with two staff officers arrived in Askabad, accompanied by a Russian Colonel.

A bomb has been exploded in Askabad.

"Turkestanskiya Vedomosti."

September 17.—On the 14th September passenger train No. 26 from Tashkent ran off the line near Merv. The engine and three carriages were much damaged.

In an encounter with a gang of marauders in the streets of Tashkent one Cossack was killed and one wounded.

September 20.—In a collision near Kazalinsk on the 16th instant two engines and fifteen waggons (or carriages) were damaged.

September 21.—Two shots have been fired at the Pristav of Margelan, but he was not touched.

September 26.—Yashchur (I cannot find any English equivalent for this disease.—H. S.) has broken out in Troitskoe camp, and seventy-three horses have died of it.

Askabad Reports.

September 22.—The railway has been damaged between Askabad and Kahka, and is being repaired.

September 24.—One hundred and twenty newly-engaged labourers passed through by rail E. They said they were going to Band-i-Sultan.

September 25.—One hundred recruits passed through E.

September 26.—Eighty time-expired Intendance soldiers passed through W.

September 27.—A Japanese General with two Japanese officers arrived from Bokhara. They are travelling from Tashkent to Krasnovodsk, stopping at different places en route.

September 28.—The following troops arrived here by rail (? where from?—perhaps Bezmen.—H. S.):—

Artillerymen ..	..	..	..	..	..	..	..	50
Frontier Guard ..	..	..	..	..	..	..	..	30
Cossacks ..	..	..	..	..	..	..	..	40
Railway soldiers ..	..	..	..	..	..	..	..	50

September 30.—Two waggons full of labourers passed through E., bound for Merv.

The troops are now gradually all leaving the camps near Feroza, in small parties.

Kahka Reports.

September 20.—I stayed a day in Kahka to check the strength of the garrison and found—

Kuban Cossack battery with 150 Cossacks and six Q.F. guns. (He has written the Russian word for Q.F.—H. S.)

Mortar battery with 200 artillerymen of the 2nd Brigade and six heavy guns. Twenty-seven Frontier Guard.

Forty railway soldiers.

Fifty men Army Hospital Corps. These men came to Kahka eight days ago.

Sarakhs Reports.

September 20.—Fifty time-expired (infantry) soldiers left for Tejend.

September 21-26.—The troops are encamped 6 versts from Sarakhs, where they are engaged in rifle practice. The infantry battalion and the whole of the 500 Cossacks are there.

I hear that the Cossacks are under orders to stay here a month, and that they will then return to their stations.

Merv Reports.

September 11.—Forty boxes of ordnance stores arrived by train from W.

September 16.—The military forwarding agent was murdered in his office by ten Armenians, who went off with 2,000 roubles in cash.

September 18.—Twenty-five time-expired men passed through W. by rail.

September 20.—Five sealed waggons with a special military guard came in by rail from W.

September 22.—About twenty days ago 100 hired labourers left for Band-i-Sultan. To-day 100 more workmen left for the same place. This last party stated that they were going to make a railway from Yulatan to Bairam Ali.

Garrison of Merv:—

6th and 7th Transcaspian Battalions, full strength.

Merv Reserve Battalion, 400 strong.

Transcaspian Sapper Battalion, 400 strong.

1st Railway Battalion, 100 strong.

Kavkaz Regiment, Cossacks, 400 strong.

Artillerymen, 2nd Brigade, 300 strong.

Medical and other details, 300 strong.

Charjui Reports.

September 10.—Twenty large cases arrived by rail from E., and were put on board a steamer for shipment upstream.

September 13.—During the night 100 soldiers passed through E.

September 16.—Thirty Transcaspian Sappers came in by rail from E.

September 20.—The infantry battalion made a demonstration in the town as on a previous occasion. The whole battalion was broken up into parties, which patrolled every part of the town for some hours.

Patakisar Reports.

September 10.—The following supplies and stores have come in by steamer:—

Black flour ..	..	..	..	..	..	..	..	3,000 poods.
Groats ..	..	..	..	..	..	..	..	800 "
Tinned meat ..	..	..	..	..	..	..	..	100 "
Biscuits ..	..	..	..	..	..	..	..	400 boxes.
Gunpowder ..	..	..	..	..	..	..	..	200 "
Gun ammunition ..	..	..	..	..	..	..	..	200 "
Rifle ..	..	..	..	..	..	..	..	400 "
Iron travelling kitchens ..	..	..	..	..	..	..	..	2

September 17.—The Governor-General of Turkestan is expected here on the 22nd September. The following officers have come here to await his arrival:—

Generals ..	..	..	..	..	..	..	..	3
Other officers (? those that came from Samarkand, see diary No. 38.—H. S.) ..	..	..	..	..	..	..	..	14
Special interpreters from Tashkent (probably some of Colonel Yagellos' pupils.—H. S.) ..	..	..	..	..	..	..	..	2

The Amir of Bokhara's officials have sent in a number of good horses for the use of the Governor-General and party.

Preparations of every kind are being made for the reception of the Governor-General.

Since the commencement of the Ameer Habibullah's tour the Russians have been kept exactly informed of his movements by the Afghan officials, letters on the subject having arrived every week. Such letters have also been sent to Kushk and Kerki. I cannot say if this information is sent by order of the Ameer or if it is a private arrangement between the Russians and the Governors of the frontier provinces; but whether this information is supplied openly or secretly, the Russians do not rely on it implicitly, but check every item of it by the report of their numerous spies and agents in Afghanistan. It is said here that General Grodekov has timed his arrival here on the Oxus frontier to coincide with Ameer Habibullah's arrival in Mazar-i-Sharif, and that he (the Governor-General) arrived in the district of Charjui on the very day the Ameer entered the Province of Balkh.

Since the 13th September the Afghan artillery and infantry have been carrying on target practice on their side of the river, and so there have been rifle and heavy gun firing going on upon both banks of the river, the firing on each side being within sight and sound of the other side.

Samarkand Reports.

September 24.—Each of the Samarkand infantry battalions has had two machine guns for some time past. Now the 6th battalion has had two more machine guns issued to it, thus bringing its number of machine guns up to four.

Tashkent Reports.

September 13.—During the last week five parties of 200 soldiers each, making a total of 1,000 altogether, have left by T. O. Railway.

September 14.—200 recruits came in by T. O. Railway.

September 15.—Another party of 200 soldiers left by T. O. Railway during the night. All these parties have been in marching order with all their kit.

(It is possible that writer hardly understands the term "marching order," and only means water-bottles, haversacks, and kit bags. He does not say they were time-expired, but it seems possible.—H. S.)

September 18.—Forty soldiers came in by the Andijan train.

September 21.—Supplies and stores have been received by T. O. Railway in unusual quantities this week. Among other things, two waggons arrived with a quantity of rifles in them. When these rifles were taken out and piled on the platform, I noticed that they seemed to be of a different pattern from the usual rifles, as they had no bands round the barrel.

(Barrel perhaps eased in wood, as with our short Lee-Enfield rifles.—H. S.)

(Signed) H. SMYTH, Captain,
Military Attaché.

Meshed, October 5, 1907.

Inclosure 3 in No. 293.

No. 40 A.—*Diary of Military Attaché, Meshed, for week ending October 12, 1907.*

Summary of News.

(Secret.)

ON the 22nd September General Grodekov, Governor-General of Russian Turkestan, began a five days' inspection of Pataksar, or Termez, as the Russians call it. The General seems to have paid special attention to the local representative of the Amir of Bokhara, who on his part did all he could to accord the Governor-General a good reception, pitching a special camp on the river-bank, providing good horses, &c.

2. General Grodekov began his inspection in an almost Japanese manner. He lulled the Pataksar officers' fears to sleep by promising to give notice when his inspection would begin, and then made a surprise visit by night. This night surprise was specially for the infantry brigade. He turned them out in the night or small hours of the morning, and continued his inspection of them by daylight. He finished up this searching form of inspection by inflicting summary punishment on two officers for shortcomings in their commands.

3. This night-and-day inspection of the infantry was followed by an inspection of

the pontoon company, &c., at their work on the River Surkhan. Finally, the whole garrison were taken across the River Surkhan for a day-and-night field firing; which seems to have been specially to test the artillery, as both our correspondent and the Russian newspaper lay stress on the presence of the artillery. Our correspondent's description of the whole of this inspection is singularly well borne out by the newspaper, though the latter does not, of course, give so many details.

4. General Grodekov returned to Tashkent on the 1st October.

5. There is cholera in Tashkent. Several fatal cases of cholera have occurred there, and cases are reported daily, though the outbreak seems very slight at present.

6. Two serious outrages are reported from Tashkent, officials of the railway being in both cases the victims.

7. Krasnovodsk reports arrival by steamer, and dispatch east by rail, of more railway material.

8. Definite reports have been received to the effect that the Russians are undertaking some work between Band-i-Sultan and Bairam Ali. The ground is being levelled, and sleepers for rails are being laid down; but opinion is divided as to whether this is for a railway simply or if the rails are only to assist in the construction of a canal. I incline to the latter view, as I fail to see any object in a railway from Band-i-Sultan to Bairam Ali, whereas the object of a canal is clear, viz., to carry the water of the Murghab River to the Imperial domains at Bairam Ali.

9. Garrison report from Samarkand shows the garrison to be fairly normal. It is worth noting that there are still 500 fortress artillerymen there—more than double the usual establishment.

10. Sarakhs reports that there are only 200 Cossacks there now, and that 100 of these are relieved Cossacks from Pul-i-Khatun, who will presumably soon return to Merv.

11. The Askabad revolutionaries have sent out a series of letters to persons of the upper and middle classes, demanding money on pain of instant death, and threatening death to any one who announces the receipt of their letter. These demands are for modest sums—100 roubles in the case of General Kelmitsky, and 50 roubles in the case of M. Suzikin, an employé of the Russian Bank at Meshed. The modesty of their demands has been most successful. Nearly every one, including M. Suzikin, prefers to pay up a small sum in preference to running the risk of assassination. General Kelmitsky, a fine old Cossack veteran, treats the demand with open scorn, and publishes the letter, with scathing comment on their methods; but persons of his courage are rare.

"Transcaspian Review."

September 29.—At Tashkent, on the 22nd instant, at 11 A.M., Railway Cashier Glaskov was going to the station with 14,000 roubles, accompanied by a gendarme. They were attacked in the open street by a band of armed men, who killed the gendarme, severely wounded the cashier, and carried off the cash. The gendarme shot two of the robbers dead with his revolver.

Major-General Kartsev has left for Merv.

October 1.—Several fatal cases of cholera have occurred in Tashkent.

A train has run off the line close to Askabad Station.

General Kelmitsky has received a letter from the local revolutionaries demanding 100 roubles on pain of death. He publishes the letter to show his contempt for the senders.

October 2.—Nineteen prisoners have escaped from Askabad prison.

October 3.—General Grodekov, Governor-General of Turkestan, has just made a five days' inspection of the Termez garrison. When the ordinary inspection was over, he went by steamer to Airatan, where night field firing was carried out in the hills. The artillery was placed on the lower slopes of the hill. After completing his inspection, the General left by steamer.

A few cases of cholera and a few deaths are occurring daily in Tashkent. There is cholera in the street where the gendarmes live.

General Kartsev has returned from Merv.

"Turkestanskiya Vedomosti."

September 27.—Engineer Ranberg, in chief charge of the Tashkent Railway workshops, has been murdered in Tashkent.

October 1.—There is a fine crop of cotton in Ferghana this year.

October 3.—On the 1st instant General Grodekoy returned to Tashkent from Samarkand.

Yesterday the police found an unknown woman in the (Tashkent) street suffering from cholera.

Krasnovodsk Reports.

September 16.—A quantity of iron rails and other railway material came in by steamer.

Eight truck-loads of iron rails and iron water-pipes were sent off E.

September 18.—Two truck-loads of railway material sent E.

September 20.—More railway material came in by steamer.

Since these large shipments of railway material have arrived, a considerable amount of special material has arrived here for the construction of stations, with their quarters, offices, &c. This material has been stacked separately. I reckon enough has arrived to make fifteen stations.

September 21.—Four truck-loads rails and one truck-load miscellaneous railway stores sent E.

September 24.—Fifty time-expired railway soldiers left for Russia.

September 28.—Six truck-loads rails and six truck-loads miscellaneous railway stores sent E.

Askabad Reports.

October 1.—It is said that a tramway is to be laid down soon in Askabad.

A large number of workmen are said to be engaged on the construction of a canal from Band-i-Sultan to Bairam Ali.

October 2.—Fifty convicts, recently sentenced at Tashkent, have arrived here from Tashkent.

Sarakhs Reports.

September 27.—With reference to your inquiry about the 500 Cossacks here, these Cossacks come from Kushk, Tejend, and Pul-i-Khatun. All have gone away now, except 200, 100 of whom came from Pul-i-Khatun, having been relieved by 100 from Tejend. (The relieving and relieved party apparently made part of the total of 500 previously mentioned.—H. S.)

September 30.—During the last week a daily consignment of ten carts full of wheat and barley has been dispatched to Tejend.

Merv Reports.

September 23.—Forty soldiers of the "Kushk" corps arrived from Askabad, and left for Kushk the next day.

September 24.—According to your orders, I started on horseback from Merv to see what the Russians are doing between Merv and Kushk. First of all I found that they were building some barracks at a place called Alam Tapa, 3 versts from Yulatan. I then went on to Band-i-Sultan, and found that the Russians are making a railway from Band-i-Sultan to Bairam Ali.

(Another report says that the work under construction is a canal, and that the "railway" is really only a tramway to facilitate construction.—H. S.)

The following men were working on this railway:—

Turks	..	..	..	..	..	..	..	..	40
Hazaras	..	..	..	..	..	..	..	..	100
Russians	..	..	..	..	..	..	..	..	20

They are levelling the ground and laying down sleepers; 4 versts have been so levelled. I stayed there three days and then returned to Merv.

Charjui Reports.

September 21.—Fifty soldiers of the Intendance Department passed through E.

September 25.—Ten boxes of rifles sent upstream by steamer.

September 26.—Thirty men of the 1st (Astrakhan) Cossacks arrived from Khiva, and left by rail W. the next day.

September 28.—Fifty men of the 19th Turkestan Battalion arrived by rail from E.

A riot took place this week in the lines of the infantry battalion. Ten soldiers were wounded.

Patakisar Reports.

September 19.—Great preparations have been made for the reception of Governor Grodekoy. All troops have been recalled from troops [*sic*] and out-stations. The pontoon company has made a bridge over the Surkhan River, across which heavy guns can be taken.

September 20.—The Mir of Sherabad arrived to arrange on behalf of the Amir of Bokhara for General Grodekoy's reception.

September 22.—General Grodekoy arrived by steamer at 3 p.m. This same day Ameer Habibullah Khan is due to arrive in Mazar-i-Sharif. The Governor-General remained on his steamer, and gave out that he would receive no one except the Mir of Sherabad and the Governor of Patakisar. These two accordingly went on board the Governor-General's ship, attended each by a few officers of their staffs, and stayed with the Governor-General for an hour, when they came on shore again. The Governor returned to Patakisar, and the Mir went to his tents on the river-bank. In about an hour's time—it was then about sunset—the Beg went on board the Governor's ship again and stayed there the whole night.

September 23.—General Grodekoy landed and held a reception for the officers of the garrison at the Officers' Club. He informed the Governor that he would shortly issue orders about his inspection. In the night, however, he paid a surprise visit to the infantry brigade. He found considerable fault with the way they turned out, and sentenced two officers, one to two months' and the other to forty-five days' confinement, in consequence.

September 24.—The Governor-General inspected the pontoon company.

September 25.—The whole garrison, with the horse, field, and heavy artillery, crossed the River Surkhan by the pontoon company's bridge, and marched to some hilly country near Yangi Arif (Yangarik in our maps), where they carried out a field firing scheme.

September 26.—The Governor-General is still here.

Samarkand Reports.

September 28.—The two companies of the Zerabulak Reserve Battalion came in from duty on the Andijan Railway.

September 30.—Two companies, or rather over 300 men, of the 6th battalion left for duty on the Andijan Railway with two of their machine guns.

October 1.—Eight waggons full of regimental stores came in from W., and were taken over by the 5th battalion. These stores included clothing, boots, equipment, and a large amount of ammunition.

Strength of the Garrison:—

5th Turkestan Battalion, 800 strong, with 80 horses and 2 machine guns.
 6th Turkestan Battalion, 800 strong, with 80 horses and 4 machine guns. (Two companies and 2 machine guns absent on Andijan Railway.)
 7th Turkestan Battalion, 800 strong, with 80 horses and 2 machine guns.
 8th Turkestan Battalion, 800 strong; no horses or machine guns; at Katta Kurgan.
 Zerabulak Reserve Battalion, 800 strong; no horses or machine guns.
 2nd Railway Battalion, 600 strong.
 Detachment Intendance, 100 strong.
 2nd (Ural) Cossacks, 400 now present at Samarkand.
 Prisoners' escort, 50.
 4th Field Battery, with 8 Q.F. guns and 250 men.
 6th Mountain Battery, with 8 guns and 200 men.
 Fortress artillery, 500 strong in fort.

There are stored away in the fort 8 new Q.F. guns and 8 old pattern field guns. There are also in the fort gun park 8 old pattern field guns, 8 machine guns, 2 new pattern heavy guns, 2 old pattern heavy guns.

(Signed) H. SMYTH, Captain,
 Military Attaché.

Meshed, October 12, 1907.

Inclosure 4 in No. 293.

No. 41.—*Diary of Military Attaché, Meshed, for week ending October 19, 1907.*

Summary of News.

(Secret.)

MAJOR-GENERAL MERKUSHEV has been appointed Governor of Kushk.

2. Details of the conclusion of General Grodekof's inspection of Tashkent show that it was continued right through in the same energetic manner as it was begun.

3. Patakisar reports that there were 1,200 time-expired men there on the conclusion of this year's training; 500 of them are to leave at once, and the remaining 700 are to wait until they are relieved by the new recruits.

4. Patakisar reports that the Bokhara authorities have been asked to arrange to supply 4,000 horses and 2,000 camels. This is perhaps only some test of the system of registering animals; very likely the animals will never actually be requisitioned.

6. An experienced engineer has been detailed to undertake the survey of the projected Vierni-Semipalatinsk Railway.

"Transcaspian Review."

October 6.—Prince Khilkov is expected shortly at Tashkent from St. Petersburg with a party of petroleum experts. He is going to Kokand to make a special exploration tour of the petroleum fields of Ferghana.

October 8.—Towards the end of September (Russian style) Engineer Glezer is coming to Turkestan from St. Petersburg with a party of engineers to make the survey of the Vierni-Semipalatinsk Railway.

There has been another fatal case of cholera in Tashkent.

Pristav Captain Rekhter has been murdered at Baku.

October 9.—The school for officers in English, Urdu, and Persian reopens at Tashkent on the 14th October.

There is a general strike at Bibi Aibat, Baku.

October 11.—Major-General Merkushev has been appointed Governor of Kushk.

"Turkestanskiya Vedomosti."

October 9.—The cotton crops in the Merv, Tejend, Askabad, and Krasnovodsk districts are very good this year.

Askabad Reports.

October 10.—Nine waggon-loads of soldiers passed through E. Six of them were full of railway soldiers, and the other three full of Transcaspian infantry.

(As these do not seem to be recruits, perhaps they were from Bezmen—men returning from camp near Feroza.—H. S.)

Merv Reports.

September 29.—Six truck-loads iron rails came in from W.

September 1.—Twenty (railway) waggons dry lucerne came in from W.

October 5. Forty Cossacks (Kavkaz Regiment), left for Kushk.

Patakisar Reports.

September 26 27. The Governor-General inspected all the troops continuously for two days and two nights, keeping them under arms on the alert the whole time. He thoroughly inspected the stores, magazines, barracks, &c., and went closely into the question of the soldiers' diet. He punished four more officers for neglect or inefficiency.

September 28.—After giving "khilats" (robes of honour) and other presents to the Bokhara officials, the Governor-General left by steamer for Charjui at 3 p.m.

September 30.—The Director-General of Customs arrived here and notified to the traders that the Russian Government is prepared to allow transit bounties (i.e., rebate

of internal duty) on all Russian-manufactured goods exported from Russian territory into Afghanistan via Patakisar on the same scale as previously allowed on goods exported via Kerki and Kilif. Information of this concession is being forwarded to Afghan importers of Russian produce.

October 2.—With reference to the registration and supply of horses, &c., information has been sent from Tashkent to the Bokhara authorities that the Russians are likely to require this year 4,000 horses and 2,000 camels, and that arrangements should be made for this number of suitable animals to be forthcoming without delay when asked for. These animals are to be taken evenly from the whole State of Bokhara in proportion to the number registered in different localities, i.e., no partiality is to be shown in making the requisitions.

October 4.—There are 1,200 time-expired men of this garrison entitled to leave the service now, on completion of this year's training—500 of these, taken by lot, will be allowed to go at once, probably by next week's steamer; the other 700 will have to wait till they are relieved by fresh recruits.

Tashkent Reports.

September 24.—Thirty Cossacks came in by C. A. Railway, and were posted in a guard-house close to the Governor-General's residence.

September 26.—A General Officer who has been here some time left for Margelan.

September 27.—Four hundred men of the 3rd Turkestan Battalion with some (? machine) guns came in by C. A. Railway. They have been on duty or in camp on the railway.

September 28.—Two hundred soldiers left by T. O. Railway. They had their rifles with them.

September 29.—All through the week a large number of boxes of ammunition have been brought from the magazine and loaded in railway waggons at the station. Seven waggons full of these boxes are now standing in a siding at the station with a military guard over them.

September 30.—Thirty Cossacks with their kit left for Samarkand by rail.

October 1.—Twenty men of the 5th Turkestan Battalion came in by C. A. Railway.

October 2.—The Governor-General returned from Samarkand. (The Russian newspaper said he returned on the 1st October.—H. S.)

Forty Cossacks with three guns came in by T. O. Railway. The guns were so covered that their pattern could not be ascertained. The guns were taken to the fort, but the Cossacks went on S. by the C. A. Railway.

October 6.—Forty artillerymen came in by the Andijan train (i.e., the train from Kokand, Margelan, &c.—H. S.)

October 7.—The Governor-General and staff spent the morning inspecting the railway station. Most of the time they were examining the different sidings and arrangements for shunting trains at the C. A. Railway station. They were several times taken (? on an engine) about a verst towards Samarkand and then brought back on to different sidings.

(Signed) H. SMYTH, Captain,
Military Attaché.

Meshed, October 19, 1907.

Inclosure 5 in No. 293.

No. 42.—*Diary of Military Attaché, Meshed, for week ending October 26, 1907.*

Summary of News.

(Secret.)

GENERAL KARTSEV has been transferred to Kiev. He will be replaced by General Rekhter, Chief of the Staff of the Turkestan army.

2. Patakisar definitely reports the departure of 200 time-expired men, and Askabad noted the passing westward of 200 men, who seem to be time-expired.

3. Samarkand reports the departure of another company of infantry towards Margelan, in addition to the two companies that were sent in that direction some time ago.

4. The 4th Kuban Cossack Battery was brought into Askabad from Kahka on the 17th October for a ceremonial parade, as detailed by the "Transcaspian Review," and is remaining there for the present. It seems a little strange to move the battery with 250 men, as reported by our agent at Askabad, for so slight a cause.

5. Krasnovodsk continues to report the arrival of quantities of railway material. These reports are confirmed by Merv and Charjui agents, who have both noted the arrival of many trucks full of rails.

6. Krasnovodsk reports the arrival of 150 Russian colonists, probably for Merv, as the Governor there was making arrangements for land for some colonists he was expecting.

7. Prince Khilkov, who has come to Turkestan to examine the Kokand oil-fields, has paid a visit to Bairam Ali, which is a long way out of his route from Tashkent to Kokand. This visit goes far to confirm the report of our Charjui agent this week that the Russians are making a railway (or canal) from Yulatan (or Sultan Band) to Bairam Ali. We have also previously received definite reports from our Merv and Askabad agents that such work is in progress.

8. An outbreak of plague is reported at Atbazar (spelt "Atbashin" by the Tashkent newspaper), on the Semirechia-Kashgaria frontier. Local outbreaks of plague are not rare in Russian territory. As a rule this kind of plague resembles true plague in everything except that it does not spread much or recur again in successive years.

9. There are the following garrison reports:—

Merv.—This garrison is very little changed since last report. The Cossacks and artillerymen are slightly increased, probably owing to men who have returned from Feroza. No railway troops are mentioned, and the number of details is decreased, probably due to oversights in both cases.

Charjui.—The only noticeable difference is the presence of a detachment of the 7th Transcaspian Battalion and of a party of the 1st (Astrakhan) Cossacks.

Patakisar.—The most obvious alteration is that there are now 600 fortress artillerymen instead of 450 in the last report, ordinary establishment being only about 250. The Pontoon Engineer troops seem to be divided into two distinct companies, totalling 450 instead of 300 in last report. The other troops at Patakisar are slightly less than before, except the Frontier Guard.

"Transcaspian Review."

October 13.—General Kartsev has been transferred to be second in command of the Kiev district. Lieutenant-General Rekhter—Chief of the Staff of the Turkestan army—will replace him as Governor of Transcaspia.

Colonel Susunin has been appointed temporary Governor of the Ferghana Province.

October 16.—The Amir of Bokhara has given 60,000 roubles to establish a Russian school at Charjui, to be called "Nikolai," in commemoration of the Emperor's two escapes from death, viz., the late plot in St. Petersburg, and the accident to the yacht "Standart." There is plague at Atbazar, on the frontiers of Semirechia and Kashgaria. Forty-four people have died of it, i.e., 1 per cent. of the total population of the place.

October 17.—On the 18th October there will be a parade at Askabad in honour of the name-day of the Czarevich. One company will attend from each infantry battalion, and a half-battery from the 1st and 3rd Light Batteries of Artillery. The Taman Cossack Regiment and the 4th Kuban Cossack Battery will parade in Kashi.

October 18.—A seam of coal, 2½ archins thick, of excellent quality, has been discovered at a place called Suok Bulak, near Karan Kul, in the Tashkent district.

(The disease called) "Yashehur" has broken out near Kaufmanski; 111 cases have occurred among the local cattle and horses. A bridge on the Caucasus Railway 16 versts from Tiflis (on the Batoum side) has broken down. The line is totally interrupted. Passengers have to cross the gap on foot.

October 20.—Prince Khilkov arrived in Tashkent on the 12th October. On the 13th October he started for Bairam Ali. From Bairam Ali he will go to Kokand.

After the parade of the 18th October, the 4th Kuban Cossack Battery came in to the town (of Askabad) from Kashi.

The C. A. Railway is interrupted near Verevskaya Station, where a train has run off the line, breaking up ten waggons.

"Turkestanskiya Vedomosti."

October 13.—Forty-four deaths from plague have occurred at Atbashin, in the Semirechia Province, this being 1 per cent. of the population of the place.

October 18.—In the event of horses being shot for glanders in Tashkent, the following compensation will be paid: 80 roubles for carriage horses, 50 roubles for other horses.

There are floods on the Amu Darya. Several villages have been carried away in the district of Ishan Djakent.

Krasnovodsk Reports.

October 1.—A large steam pump, with all the necessary plant, machinery, pipes, &c., for its erection, has arrived here by steamer.

This is said to be intended for Kushk, to supply water to those parts of the fort and barracks that have previously been supplied by water-carts.

October 2.—The Prime Minister of the Amir of Bokhara arrived from Baku with a special escort of ten Russian soldiers. He was received by a guard of honour and left at once for Bokhara.

October 3.—A lot more railway material, including a large number of sleepers, has arrived by steamer.

Six boxes of bombs were discovered on a steamer from Baku. They were addressed to a forwarding agent at Krasnovodsk, who has denied all knowledge of the matter, and says it is a police plot to get him into trouble and to bring discredit on the Armenians.

October 4.—One hundred and fifty mujiks arrived from Astrakhan, and were sent off E. These are colonists travelling at Government expense. I could not find out their destination.

October 7.—Three hundred boxes rifle ammunition came in by steamer and were sent off E.

October 8.—Fifty recruits for railway and telegraph troops passed through E.

October 2.—Mirza Ismail Khan has been appointed Persian Consul here.

Askabad Reports.

October 11.—Two waggons full of Taman Cossacks passed through.

October 12.—One wagon full of (civilian) railway workmen passed through.

October 14.—Fifty convicts arrived; these included Russians, Armenians, Georgians, &c.

Two waggons full of railway soldiers passed through.

October 15.—Ninety Taman Cossacks left Askabad.

Seventy men of the Geok Tepe Reserve Battalion arrived.

The following movements westwards on the railway:—

October 11.—Fifty (? time-expired) men of the 2nd Artillery Brigade.

October 12.—Two waggons full of railway soldiers passed through.

October 16.—One hundred and fifty men of the 2nd Artillery Brigade passed through.

Two waggons full of soldiers with shoulder badge 2 arrived.

October 17.—Two hundred and fifty Kuban Cossacks arrived. (Kuban Horse Artillery Battery from Kahka.—H. S.)

There is the following general news:—

October 12.—The chief of a forwarding agency here has been murdered. The murderer was arrested.

The Feroza Railway has been closed for the season.

Merv Reports.

October 8.—Twenty waggon-loads of dry lucerne came in from W.

October 9.—Eighty Transcaspian Sappers have arrived here; these are men who belong to this place, but who have been absent for some months.

October 10.—Several trucks full of rails sent off by Kushk Railway.

October 12.—Ten trucks full of rails came in from W.

October 14.—The Governor asked the Turkoman Headman not to cultivate certain land near the town of Merv, as the Government wished to buy it for a colony of mujiks.

Strength of the Garrison :—

6th and 7th Transcaspian Battalions, full strength.
 Merv Reserve Battalion, 400 strong.
 Transcaspian Sapper Battalion, 400 strong.
 5th Transcaspian Battalion, 50 strong.
 Artillerymen, 2nd Brigade, 400 strong.
 Kavkaz Regiment Cossacks, 500 strong.
 Intendence, 100.

Charjui Reports.

September 19.—The Governor-General of Turkestan arrived by special train early in the morning, and left at once by steamer upstream. His arrival and departure were kept quite secret, and were not known publicly for several days.

September 30.—The Governor-General returned by steamer from Patakisar, and at once left for Tashkent by train.

While the Russian Governor-General of Turkestan has been making this tour along the southern frontier of his province, the Ameer of Afghanistan has been making a tour along the northern frontier of his province of Afghan Turkestan. This matter is exciting great comment among the people of Bokhara, who think that some secret meeting has taken place between these two dignitaries.

(Our agent is only repeating Bokhara talk; he has no information pointing to any such meeting.—H. S.).

October 1.—Six truck-loads of rails passed through E.

October 3. Fifty Transcaspian infantry passed through E.

October 5.—I noticed some men of the 1st (Astrakhan) Cossacks in the town, but cannot say when they arrived here.

October 7.—Having heard that the Russians were engaged in some railway construction, I went to Bairam Ali and found that they were making a railway from near Yulatan, on the Kushk Railway, to Bairam Ali.

Garrison of Charjui :—

17th Turkestan Battalion.

Detachments of the 18th, 19th, and 20th Turkestan Battalions, and some men of the 7th Transcaspian Battalion the whole amounting to rather more than one battalion.

20 men 2nd Artillery Brigade.

200 „ 2nd Railway Battalion.

200 „ Amu Darya Flotilla.

30 „ 1st (Astrakhan) Cossacks.

Patakisar Reports.

October 9.—The troops have gone out to a place 52 versts away, near Choshka Gazar, for manœuvres and more field firing.

A steamer came in with—

400 casks of gunpowder.

200 boxes of gun ammunition.

3,000 poods of mixed supplies.

October 11. Two hundred time-expired artillerymen left by steamer.

Garrison of Patakisar :—

13th Turkestan Battalion	..	..	..	..	..	850 strong.
14th „	..	..	..	..	..	800 „
15th „	..	..	..	..	..	800 „
16th „	..	..	..	..	..	800 „
2nd Orenburg H.A. Battery	..	..	..	..	..	200 „
5th Field Battery	..	..	..	..	..	200 „
Termez Fortress Company	..	..	..	..	..	100 „
Other fortress artillerymen*	..	..	..	..	..	200 „
Machine-gun companies	..	..	..	..	..	200 „
Pontoon company†	..	..	..	..	..	250 „
A company badge T. P. S ‡	..	..	..	..	..	200 „
Detachment Intendence	..	..	..	..	..	40 „
„ Army Hospital Corps	..	..	..	..	..	25 „
Frontier Guard belonging to Patakisar (section)	..	..	..	..	..	500 „
Frontier Guard holding the guard-houses all along the river-bank	..	..	..	..	..	500 „
Total	..	..	..	..	..	5,965 „

* Writer uses Russian word "Kryepostnaya" for fortress.—H. S.

† Badge T. P.—H. S.

‡ [?] Turkestan Pontoon Sappers. Writer puts this company down with the pontoon company.—H. S.

Samarkand Reports.

October 14.—You will remember that I reported the departure of two companies of the 6th battalion, with two machine guns, towards Margelan (diary No. 40). These have not returned, and now a company of the Zerabulak Reserve Battalion has been sent off in the same direction too.

(Signed) H. SMYTH, Captain,
 Military Attaché.

Meshed, October 26, 1907.

[38681]

No. 294.

(No. 250.)
 Sir,

Mr. Marling to Sir Edward Grey.—(Received November 25.)

Tehran, November 8, 1907.

WITH reference to my telegram No. 323 of the 4th instant, I have the honour to transmit herewith copy of the note which I have received from the Minister for Foreign Affairs in reply to that in which Sir C. Spring-Rice communicated to the Persian Government the text of that part of the Anglo-Russian Agreement of the 31st August which relates to Persia.

The tenor and tone of the note appear to be entirely free from objection.

Some comment has been made on the wording of the sentence stating that "the Persian Government will observe without fault the stipulations of the Agreements which have been entered into regarding loans." It is argued that this might be held to imply that Persia bound herself to observe the Article regarding the British and Russian loans in the recent Agreement. But the contention would appear to be worthless in view of the preceding statements of the note.

I have, &c.

(Signed) CHARLES M. MARLING.

Inclosure in No. 294.

Mushir-ed-Dowleh to Mr. Marling.

(Translation.)
 Sir,

25th Ramazan, 1325, A.H. (November 2, 1907).

I HAVE had the honour to receive his Excellency the Minister's note dated the 15th Shaaban, 1325, A.H., equivalent to the 24th September, 1907, transmitting a copy of the portion of the Agreement concluded between the British and Russian Governments relating to Persia, and composed of a preamble and five Articles.

I have the honour, in reply, to state that, as you will readily in justice admit, the above-mentioned Agreement having been concluded between the British and Russian Governments, therefore its provisions will concern the afore-mentioned Governments who have signed the Agreement; and the Persian Government, in view of the independence of which by the grace of God it is in full possession, considers the full rights and freedom which it enjoys by its absolute independence absolutely free and protected from every possible effect or influence of any kind of Agreement between two or several foreign States regarding Persia, and will make every endeavour regarding its relations with friendly Powers for the strengthening of the structures of friendship and unity, in accordance with the stipulations of sacred Treaties and the principles of the open door for international commerce. Regarding the loans also, it is evident that the Persian Government will observe without fault the stipulations of the Agreements which have been entered into regarding them. In order to communicate the principles exposed and stipulated in this note, a copy of it is being sent to the Representatives of the friendly States accredited to this Court.

I avail, &c.

(Signed) MUSHIR-ED-DOWLEH.

[38682]

No. 295.

Mr. Marling to Sir Edward Grey.—(Received November 25.)

(No. 251.)

Sir,

Tehran, November 8, 1907.

I VENTURE to offer, for your consideration, a few observations on the possibility of Germany obtaining a financial footing in Persia, particularly in connection with the rumour reported by Sir A. Nicolson, in his Excellency's telegram No. 223 of 28th October, that German capital might be forthcoming for the establishment of the much talked of National Bank.

The project of such a bank was at first started by a small group of Persians, who, by playing on the national vanity, hoped to get control of a considerable financial establishment which they could use to their own interest. The idea, however, captivated the popular mind, which has come to look upon it as a fetish and a specific for all Persia's internal troubles, and has made its establishment a matter of *amour-propre*. But it has probably not occurred to the people yet that, if the bank is started on German capital, it will also be worked by a German Manager, and in German interests, and when that is borne in on the minds of the public, I do not think that the Assembly would venture to accept the offer should it ever be made. They would soon realize that the bank was national only in name, and was just as much a foreign institution as the Imperial Bank of Persia or the "Banque de Prêts."

As a mere question of figures it is possible that the Persian Government could find the required guarantee in the balance of the customs revenues from the southern ports after the payment of the interest and sinking fund of the British Loan of 1903-4. This balance amounts to something between 150,000*l.* and 180,000*l.*, which would suffice for the service of a loan of some 3,000,000*l.* at 5 per cent. interest, which is about the amount required to start the bank, as I was informed by Naser-ul-Mulk. But for the next two years Persia is debarred by its Agreement with Russia from contracting any foreign loan without her consent, and although Russia made no opposition to our loan, it is certain that she would do so in this case. The argument might be advanced that the German capital was advanced to a private bank, and not to the Government; but I venture to think that the point would be untenable, considering that the National Bank, by its Charter, is to be the State Bank, and that the security for the interest on the capital advanced is given by the Government.

Of course as a commercial operation the matter is absurd, but it is possible that as a political speculation it may tempt Germany. But even so she would probably require additional considerations for the risk incurred, and these would probably take the form of the transfer to German subjects of some of the numerous Concessions, and of course the most promising, reserved to the National Bank. I do not believe that the anti-foreign feeling in regard to Concessions in Persia is likely to abate for some time, and the Persian Government would require some *quid pro quo* before they could overcome the opposition of the Assembly. This might be found in German mediation in the Turco-Persian frontier dispute. I am of course unable to judge whether German influence at Constantinople is strong enough to bring about a settlement of this question satisfactory to Persia, but, heavy as the bribe would be, I do not think that the suspicious Persian would be satisfied with mere promises, but would require their fulfilment before completing a bargain which would to a considerable extent place her finances in German hands.

I have, &c.
(Signed) CHARLES M. MARLING.

No. 296.

[Nil.]

[38716]

No. 297.

Sir A. Nicolson to Sir Edward Grey.—(Received November 25.)

(No. 567.)

Sir,

St. Petersburg, November 13, 1907.

M. BOMPARD, who has just returned here from leave of absence, told me that when in Paris M. Pichon had requested him to receive M. Bizot, the Financial Adviser

designate for Persia. M. Bizot had consequently paid him a long visit, and he had taken advantage of this opportunity of impressing on that gentleman that he must in all matters do what was possible to support the recently-concluded Anglo-Russian Convention, and be careful to consult both the British and Russian Legations in all questions of importance. M. Bompard had further explained to M. Bizot that it might be advisable if he were not to appear too ostensibly as the *amicus curiæ* of the two Legations, as this might injure his position with the Persians, but he could doubtless find means to maintain intimate and close relations with the two Representatives without attracting public attention. He had also told M. Bizot that he must leave the question of the establishment of a National Bank severely alone, as it was not desired that an institution should be formed which would hamper or compete with the action of the Russian and British Banks.

I told M. Bompard that his observations to M. Bizot seemed in general to be judicious, but that the Russian and British Governments had now decided to raise no objections to mention being made in M. Bizot's Contract of the establishment of a National Bank. There was some fear that the Persian Government would raise difficulties to accepting the Contract if the National Bank were ignored, and they might procure the services of some other adviser, who would assist in the institution of that establishment. If a National Bank had to be formed, and it appeared to be a point on which the Persians had set their hearts, both Governments would prefer that it should be launched into existence under the auspices of a French Financial Adviser rather than under those of a financier of some other nationality. I believed that the French Minister had therefore inserted in the Contract some clause recording that amongst the functions of the Adviser would be the assistance he should render to the formation of the National Bank. I was not aware of the position in which this Contract actually was at the present moment.

M. Bompard said that when he had left Paris a few days previously the French Government were without any information as to the terms of the Contract. The French Minister had telegraphed to say that he had arranged matters with the British and Russian Representatives, but had given no indication what were the provisions of the Contract. M. de la Martinère had now been instructed to arrange with the Persian Government that instructions and the necessary authority should be sent to the Persian Minister in Paris to enable the latter to sign the Contract in Paris.

I said that I trusted that the matter would soon be settled, and that M. Bizot would be enabled shortly to take up his new post. There was always the possibility that the Assembly, who seemed to have usurped many of the functions of the Government, might change its mind and insist upon some other arrangements being made.

I have, &c.
(Signed) A. NICOLSON.

[38717]

No. 298.

Sir A. Nicolson to Sir Edward Grey.—(Received November 25.)

(No. 568.)

Sir,

St. Petersburg, November 13, 1907.

I INQUIRED of M. Goubastoff yesterday whether he could give me a reply to the Memorandum which I had left with him some few days ago in regard to the question of the Russian and British Consuls assisting at the meetings of the Turco-Persian Frontier Commission. My Government, I added, would be glad to ascertain the views of the Russian Government with as little delay as was convenient.

M. Goubastoff sent for the "Chef de Section" in whose department such questions are dealt with, and M. Neratoff informed me that, before replying to the Memorandum, the Ministry was desirous of hearing from M. Zinovieff his views as to whether a proposal that the Consuls should assist at the meetings would be likely to be favourably entertained by the Sublime Porte.

I told M. Goubastoff and M. Neratoff that the Russian and British Representatives at Tehran were apparently very anxious that the Consuls should take part in the meetings: firstly, because the Persian Government were convinced that the Commission would lead to no results without the Consular assistance; and, secondly, because if the two Governments did not approach the Sublime Porte on the subject, the Persian Government would imagine that they took but an indifferent interest in the matter, and might thereby feel disappointed or affronted, and be ill-disposed to assisting in the execution of certain details of the Anglo-Russian Convention. That was,

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in a few words, the point of view at Tehran. On the other hand, I believed that the two Ambassadors were of opinion that an application to the Sublime Porte would most probably meet with a refusal, and that this would weaken our position when, later on, we might be compelled to make a formal and positive demand for joint participation in the labours of delimiting the frontier. I gathered further that the Ambassadors preferred to give the Commission a chance, and if a failure were to ensue, then there would be undeniably good grounds for insisting perhaps on Russian and British mediation.

I understood that my Government considered that there was some force in the views of the Ambassadors, but that they were desirous of learning the opinion of the Russian Government before finally deciding.

M. Goubastoff said I should receive a reply as soon as he had heard from M. Zinovieff. He said that M. de Hartwig had seen the Persian Commissioner before the departure of the latter from Tehran, and that he had found the Commissioner perfectly ignorant of the frontier question and quite unacquainted with the A B C of the matter. M. de Hartwig had spent two hours endeavouring to give the Commissioner some outline of the subject in regard to which he would have to treat, but he was afraid that he was most inadequately equipped to act as a negotiator with the Turkish Commissioners.

I have, &c.
(Signed) A. NICOLSON.

[38718]

No. 299.

Sir A. Nicolson to Sir Edward Grey.—(Received November 25.)

(No. 569.)

Sir,

St. Petersburg, November 13, 1907.

M. GOUBASTOFF told me yesterday that the Shah had, subsequent to the urgent appeal which he had made to the Russian Legation for an immediate advance of money, evinced no further interest in the matter, although funds were held at his disposal. His Excellency observed that the ways of Oriental monarchs were sometimes very strange, as M. de Hartwig had been informed that it was of urgent necessity that some means should immediately be found for providing for the daily expenses of the Palace, and some days had now elapsed and His Majesty had made no further application.

I asked M. Goubastoff if the Shah had been able to procure money in other quarters, and he replied that he had no information on the subject. His Excellency proceeded to say that the report that Messrs. Mendelssohn were sending an agent to Tehran was without any foundation, and that the M. Jung who was proceeding to that capital was the German Commercial Attaché at Constantinople, and was merely undertaking a voyage of inquiry as to openings for German trade. I told M. Goubastoff that I had seen in the papers an account of an interview which M. Gutmann had accorded to a correspondent of the "Lokal-Anzeiger," in which the former had stated that the general financial situation in Europe was such as would preclude any financial adventures in a country like Persia, and it seemed to me that this was of advantage, as it would exclude any immediate likelihood of Germany undertaking any financial enterprises at Tehran. It was most desirable that the question of the appointment of the French Financial Adviser should not be unduly delayed.

I have, &c.
(Signed) A. NICOLSON.

[38719]

No. 300.

Sir A. Nicolson to Sir Edward Grey.—(Received November 25.)

(No. 570. Confidential.)

Sir,

St. Petersburg, November 14, 1907.

I CALLED on M. Isvolsky yesterday on his return from abroad, and had some conversation with him on affairs in general. His Excellency said that he feared that the situation in Persia was likely to cause some trouble, and he asked me what were my impressions. I said that it was exceedingly difficult to form any opinion as to the probable issue of the present imbroglio, as the situation appeared to change every

forty-eight hours. At one time there were rumours of plots against the Shah and as to the danger of his position; and shortly afterwards His Majesty appeared to have established friendly relations with the Assembly, while the press published inflammatory articles against foreigners. It was clear that there was a most troubled condition of affairs in Persia, closely resembling a state of anarchy. It seemed to me that, in these circumstances, the wisest course would be to wait and watch events, and to avoid any interference in internal affairs.

M. Isvolsky remarked that there was also the question of the Turco-Persian frontier, and he thought that this was a difficult problem, as if the Russian and British Governments made no serious efforts to procure the withdrawal of the Ottoman troops from Persian territory it might appear to the Persians that the integrity of their country was not in reality a matter of great interest to the two Powers, although it had been formally mentioned in the Convention.

I replied that this might doubtless be the case, and I believed that my Government were quite alive to the necessity of intervening seriously in the question, but there was some doubt whether the present moment was a favourable one. The two Ambassadors at Constantinople considered that the time had not yet arrived for approaching the Sublime Porte, and my Government were awaiting the views of the Russian Government on the subject. His Excellency said that he expected to hear from M. Zinovieff very shortly, and would let me know as soon as possible the opinion of the Russian Government. The Sublime Porte might refuse to admit even the presence of the Consuls at the meetings of the Commission, and what then? I said that, in my opinion, it might be well to first allow the Commission an opportunity of dealing with the frontier, the results would in all probability be nil, and then the two Governments might demand that Delegates from both Powers should assist in demarcating a frontier. It could hardly be admitted that if such a demand were made that the two Governments should accept a refusal, and the matter would have to be seen through. But I could not imagine that a combined request from Russia and Great Britain could be refused by the Porte. It would be strange were such to be the case. However, these were only my personal views, and it was a matter outside of my province.

M. Isvolsky turned to other subjects, and said that he had been highly gratified with the gracious reception accorded to him by the King, and he had had a most interesting and instructive conversation with His Majesty. He had also had opportunities of conversing with Baron d'Aehrenthal, and of course their interviews had been largely occupied with Macedonia. He himself had not been in favour of the joint note in respect to Macedonia, as he did not anticipate that it would lead to any satisfactory results; and he thought that his doubts had been justified, as the activity of the bands seemed to be in no wise diminished. The project for judicial reforms was being discussed by the Ambassadors, and the next step would be to present it to the Porte, who would probably meet it with a point-blank refusal. It would then be necessary to decide on the course to be followed.

His Excellency then passed to the Anglo-Russian Convention, and remarked that he had been pleased to observe that, on the whole, it had been very favourably received by the press of both countries. There were one or two discordant notes, but the reception had been far better than he had anticipated. "It is, however, impossible to deny," he continued, "that the Convention is by no means welcome to Germany, and we must both expect to see her cause us trouble." I inquired if he alluded to Persia. "Not only in Persia," he replied, "but everywhere. Prince Bülow gave me positive assurances at Swinemünde that Germany would assist Russia and Austria as regards Macedonia, but as soon as the German Government were in possession of the draft project of judicial reforms they communicated it to the Sublime Porte. This does not look like friendly co-operation. I have good information that the German Government took this course, and Baron d'Aehrenthal was also similarly informed, and, though he is more German than the Germans, he was much vexed and displeased." As to Persia, M. Isvolsky inquired what, in my opinion, would be the form that German activity would take in that country. I said that, owing to the financial crisis throughout Europe, I doubted if Germany would be in a position to develop much activity in the financial direction, and if we could secure shortly the appointment of the French Financial Adviser, we might be able to block, in great measure, the expansion of her influence in the finances of Persia. But it was possible that owing to her influence at Constantinople Germany might be able to render Persia services in respect to the frontier question, and this would give her a good position at Tehran.

M. Isvolsky said that M. Stemrich, the late Minister at Tehran, was now appointed Under-Secretary at Berlin, and would be able to assist in directing a Persian policy

from there. We must both be prepared for an active policy. He added that he had seen M. de Schön at Munich, and had found him much pleased, but a little oppressed, at his new appointment. He considered that M. de Schön had not an easy task before him, as had not only to deal with Prince Bülow, but in the background was M. de Holstein, who, though nominally retired, was still apparently in the confidence and in intimate daily relations with the Chancellor.

M. Isvolsky said that he had been well satisfied with his visit to Paris, and had some interesting conversations with M. Clemenceau, who had assured him that France would shape her policy in Morocco so as to give rise to no international difficulties, and that she would keep as closely as possible to the Algeciras Act.

In regard to internal affairs, M. Isvolsky said that he anticipated that M. Stolypin would have considerable trouble with the Extreme Right, who, though perhaps not numerically very strong in the Duma, were powerful outside and had influential support. I would remember that at the close of the last Duma a very determined effort had been made to remove M. Stolypin from office, and that "les grands moyens" had to be employed to enable him to retain his position. There were signs that these efforts would be renewed, and he sincerely trusted that they would be defeated. It was far too early to predict how the Duma would act or what would be the development of the situation, and he himself had only been a few hours in St. Petersburg and had seen but very few people and was consequently unable to form an opinion.

M. Isvolsky's return had been delayed some days owing to a severe indisposition, but he was looking well and ready for work. He has not yet seen the Emperor.

I have, &c.
(Signed) A. NICOLSON.

[38722]

No. 301.

Sir A. Nicolson to Sir Edward Grey.—(Received November 25.)

(No. 574.)

Sir,

St. Petersburg, November 18, 1907.

M. ISVOLSKY, at my interview with him to-day, said that he was most anxious to see the appointment of M. Bizot settled without any further delay, and that he had telegraphed to the Russian Representative at Paris to do what was possible to hasten the signature of the contract. He trusted that His Majesty's Government would take similar action. I said that I would telegraph to you on the subject.

M. Isvolsky went on to say that he was desirous of seeing the instructions with which it was proposed to furnish M. Bizot, but that hitherto he had been unable to obtain cognizance of them. He thought that it was necessary that both Governments should be made acquainted with these instructions, and he saw no objection, in fact would prefer, that M. Bizot should be guided by the French Legation at Tehran in the discharge of his duties. The Persian Assembly, he added, had approved of the draft contract, and no time should be lost in finally settling the question.

I have, &c.
(Signed) A. NICOLSON.

[38724]

No. 302.

Sir A. Nicolson to Sir Edward Grey.—(Received November 25.)

(No. 576.)

Sir,

St. Petersburg, November 18, 1907.

M. ISVOLSKY mentioned to me to-day that he was much perplexed in regard to the frontier difficulties between Turkey and Persia, and he did not see clearly a favourable issue. The Turks appeared to be establishing themselves and making themselves at home in districts which were presumably Persian, and the Sunni tribes seemed disposed, if not to accept the situation, at least to offer a very faint opposition. It was extremely doubtful if the Sublime Porte would be disposed to listen to any proposals from the Russian and British Governments, as neither Russia nor Great Britain enjoyed much favour at Constantinople. The Representatives at Tehran were urgent that the two Governments should adopt a more energetic policy, while the Ambassadors at Constantinople advised patience and abstention. In Persia he was informed that rumours were about that Russia and Great Britain were instigating the

Turks in their aggressive action, while the Persian Government would consider either that the two Governments were indifferent to Persian interests or were powerless to take any action in favour of those interests. In either case the reputation of the two Governments would suffer, and the Persian Government might turn to some other Power who would be more useful and more active on their behalf.

I told his Excellency that we were still awaiting the views of the Russian Government in regard to the attendance of the Consular Representatives at the sittings of the Frontier Commission, and I asked him if he had yet heard from M. Zinovieff. His Excellency replied in the negative. I asked what his opinion was. He said that he had really none to give, as the dilemma in which we were placed seemed a most difficult one.

I think that his Excellency would be glad of some suggestion which would offer some prospect of a satisfactory solution being found, though I confess that I was at a loss to offer one.

I have, &c.
(Signed) A. NICOLSON.

[38756]

No. 303.

Sir N. O'Connor to Sir Edward Grey.—(Received November 25.)

(No. 698.)

Sir,

Constantinople, November 18, 1907.

WITH reference to Mr. Marling's telegram No. 329 of the 5th instant, I have the honour to report that the Persian Ambassador informed Mr. Fitzmaurice on the 12th instant, in the course of conversation, that he was not making any representations to the Porte pending the arrival of the Persian Commissioner, that he did not think that the latter and his Turkish colleague were at all likely to find any basis of discussion, much less agreement, and that he was more than doubtful whether any attempt of the Consuls to assist the Commission "à voix consultative" would lead to any tangible results.

I have, &c.
(Signed) N. R. O'CONOR.

[38762]

No. 304.

Sir N. O'Connor to Sir Edward Grey.—(Received November 25.)

(No. 701.)

Sir,

Pera, November 20, 1907.

WITH reference to my telegram No. 155 of yesterday's date, on the subject of the Turco-Persian frontier dispute, I have the honour to offer the following description of the situation as it appears to me:—

The Turkish Commission is still waiting on the frontier for the arrival of the Persian Commissioner. As soon as he arrives negotiations will begin. Tahir Pasha no doubt will argue that the greater part of the disputed districts belongs to Turkey, that the Persian Government have never established effective jurisdiction, that the consequent state of anarchy is unbearable, that the Ottoman Government cannot allow Sunnis to be oppressed by Shiahhs, and that Dervish Pasha's map, although not official, is strong evidence in their favour, which must be taken into consideration.

Neither the Porte nor the Persian Embassy has yet heard of the arrival of the Persian Commissioner, but in any case it is unlikely that the Joint Commission will agree, and most probably the question will have to be referred to the respective Governments, and the time may then be at hand for considering the expediency and method of mediation. The approach of winter will meanwhile stay any forward movement on the part of the Ottoman troops, and oblige such as there are in those parts to be concentrated on the frontier.

Moreover, apart from this, the state of affairs in the Bitlis and Van Vilayets is so disturbed in consequence of the attitude of the Kurds and the general scarcity and

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suffering that Tahir Pasha, who is still Vali of Bitlis, will probably not be able to prolong the negotiations with the belated Persian Commission.

I have, &c.
(Signed) N. R. O'CONOR.

[38763]

No. 305.

Sir N. O'Connor to Sir Edward Grey.—(Received November 25.)

(No. 705.)

Sir, Constantinople, November 20, 1907.
I HAVE the honour to forward herewith a despatch from His Majesty's Vice-Consul at Van, reporting on the general situation in that vilayet.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 305.

Vice-Consul Dickson to Sir N. O'Connor.

(No. 22.)

Sir, Van, October 29, 1907.

I HAVE the honour to inform your Excellency that the Commission of Inquiry on the Turco-Persian frontier question is now complete. It consists of Tahir Pasha, with Generals Daniel Pasha and Ali Pasha, Colonel Shekir Bey, and Tewfik Effendi, a nephew of the late Midhat Pasha, and now "Directeur d'Instruction Publique" at Trebizond.

As far as I can gather they are now at Bashkala, waiting for the arrival of the Persian Commission.

I am informed that the appropriated country is now perfectly quiet, most of the inhabitants having fled to Urmia, while Shukri Bey, the nephew of Tahir Pasha, has been installed as Kamakam of that region.

There has been a fair amount of sheep-stealing going on in the vilayet lately, especially in the Shattakh district, so much so that it has interfered with the sheep trade between here and Aleppo. From Shattakh and Catchet, a village near Shattakh, sheep were raided on two separate occasions, but the "Fedai" in that locality pursued the Kurds, recovering the sheep and punishing the Kurds. I also hear that Nalik Ishmael, with the Nestorians of Tiari, have made a raid on the Harteshi Kurds of Haji Bey, capturing 100 rifles and some 4,000 sheep. There is no definite news yet, but the Acting Vali tells me he will send to Mar Shimun for an account of the affair, ordering the loot to be given up, failing which he will probably send troops to Tiari in the spring. As these same Kurds stole some 1,800 sheep from the Nestorians last year, also killing four men, I proposed that the Government should only return a percentage of the sheep stolen to the Kurds, take a percentage themselves, and allow the Nestorians to retain a percentage of what was originally theirs; from what he told me, he may possibly do this. In any case I think it would be a very bad thing to allow troops to go into Tiari to punish the Nestorians, and when I have more information on the subject I will let you know if it might be necessary to make representations at Constantinople.

The "Fedai" at Van have been fighting among themselves lately, and three were killed in a brawl the other night, otherwise they have been very quiet. Of course they are very proud of their achievement in assassinating Ali Bey. There is a strong rumour here, however, that the Mushir Zekki Pasha had a hand in his murder, fearing that Ali Bey might get the ear of the Sultan and compromise him.

I am afraid that there will be considerable misery in Van this winter, owing to the poverty and the excessively high prices of all commodities. For instance, the code of barley, which ten years ago cost 5 piastres and last year cost 30 piastres, this year costs 55 piastres, and will probably rise considerably higher during the winter. The prices of other things have risen nearly in the same proportion, and the cost of living is now terribly high, while the people are much poorer.

The local Turks are greatly perturbed by the Anglo-Russian *entente*, as they think it will greatly strengthen Russia in these parts, while England will only look on, and that their turn will come soon.

I have, &c.
(Signed) B. DICKSON, Captain.

[38931]

No. 306.

Sir A. Nicolson to Sir Edward Grey.—(Received November 25.)

(No. 248.)

(Telegraphic.) P.

St. Petersburg, November 25, 1907.

REFERRING to your telegram No. 321 of the 19th instant: Turco-Persian frontier.

To suggest to Porte that the Consuls should assist at meetings of Commission would, Russian Government agree, be inopportune. Russian Government would propose that instructions should be sent to the Representatives at Tehran to inform Persian Government that, as Commission is just going to meet, it is necessary, before taking any further steps, to await its results, and that it is also essential that the Persian Commissioner should arrive as soon as possible on the frontier. Persia will, Russian Government consider, lose nothing by above procedure being adopted, as approach of winter will prevent Ottoman troops from continuing their advance into Persian territory.

In communication to Persian Government, Russian Government would prefer to say nothing as to Porte probably refusing to permit participation in Commission of British and Russian Commissioners.

M. de Hartwig will be immediately authorized to act in the above sense if His Majesty's Government agree.

[38956]

No. 307.

India Office to Foreign Office.—(Received November 26.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 22nd instant, relative to the Ahwaz Consular guard.

India Office, November 25, 1907.

Inclosure in No. 307.

Mr. Morley to the Government of India.

(Telegraphic.) P.

India Office, November 22, 1907.

PERSIA. Please see your telegram of the 11th instant.

Immediate dispatch to Ahwaz of a guard as proposed, consisting of twenty men, of whom eight to be mounted, with two British officers, is requested by the Foreign Office. Instructions should be issued accordingly. Six months, it is understood, is to be the limit of the stay of guard at Ahwaz.

[39037]

No. 308.

Sir N. O'Connor to Sir Edward Grey.—(Received November 26.)

(No. 157.)

(Telegraphic.) P.

Constantinople, November 26, 1907.

I HAVE sent a telegram to Mr. Wratislaw, for his guidance, as follows:—

"(No. 12.)

"If Urmia is the meeting place of the Commission, the Turks will have an opportunity of consolidating their position under the pretext of maintaining their communications. It would seem, therefore, desirable that the meeting place should be fixed at Bashkaleh or as far west as possible.

"You should do what you can unofficially, while avoiding any action which might result in the rejection of your good offices by the Turkish Commission, to get the Persian case clearly set forth, so as to afford an opportunity for the Sublime Porte to bring influence to bear on the Palace, particularly with regard to their contentions respecting Dervish Pasha's map and their consequent territorial pretensions.

"I am informed by the Porte that the Persian Commissioner has arrived at Urumia."

[38931]

No. 309.

Sir Edward Grey to Mr. Marling.

(No. 184.)

(Telegraphic.) P.

Foreign Office, November 26, 1907.

DISPUTE respecting Turco-Persian boundary.

I authorize you to concert with your Russian colleague in making communication to Persian Government (see Sir A. Nicolson's telegram to me of yesterday).

[39037]

No. 310.

Sir Edward Grey to Mr. Marling.

(No. 185.)

(Telegraphic.) P.

Foreign Office, November 26, 1907.

DISPUTE respecting Turco-Persian boundary. Please refer to Sir N. O'Connor's telegram No. 157.

You should invite your Russian colleague to co-operate with you, and make representations to Persian Government that it would not be advisable that meeting place of Commission should be Urumia. I share in this view.

[39072]

No. 311.

India Office to Foreign Office.—(Received November 27.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of inclosures in a letter from the Foreign Secretary to the Government of India, dated the 7th November, relative to the cancellation of the Abu Musa Red Oxide Concession.

India Office, November 26, 1907.

Inclosure 1 in No. 311.

Lieutenant Gabriel to Government of India.

(Confidential.)

Bunder Abbas, October 25, 1907.

IN amplification of my telegrams dispatched on the 30th September, the 12th and 23rd October, I have the honour to submit my detailed report on the proceedings in connection with the expulsion by the Sheikh of Shargah of the representative and workmen of Haji Hassan-bin-Ali Samaiyeh from Abu Musa. Before dealing with the events subsequent to the receipt by the concessionaire of the Sheikh's notice, I propose to offer a brief explanation of the delay in the issue of the notice which led to my visiting Lingah on the 1st October, and the subsequently protracted proceedings.

2. Acting on instructions received from Bushire on the 23rd September, I dispatched by special boat the necessary instructions for the Residency Agent, Shargah, together with the draft notice to be addressed by Sheikh Sagar to Hassan-bin-Ali Samaiyeh. His Majesty's ship "Lapwing" arrived at Bunder Abbas on the 24th September, and after waiting here for six days, Commander Gouldsmith informed me that, owing to the necessity of constantly condensing water, his coal supply had dwindled to an extent which I considered to be quite inadequate for the probable steaming requirements. In these

circumstances I decided to visit Lingah, and, having ascertained that the notice had not then been served, to request Commander Gouldsmith to complete with coal at Muscat and return to Bassidu as quickly as possible. I took advantage of the visit to Lingah to instruct the Residency Agent regarding the verbal communication to be delivered by him to the concessionaire. His Majesty's ship "Lapwing" returned to Bassidu on the 6th October, and on the 7th I deemed it advisable to proceed to the pirate coast in order to ascertain the cause of the delay. As already reported, I eventually located Sheikh Sagar and the Residency Agent at Ras-al-Khaima, and there heard that the notice had been duly dispatched to Lingah on the previous day. After persuading the Sheikh as to the necessity of his ascertaining the exact number of the concessionaire's men on Abu Musa, I returned to Bassidu, and news was received later from the Residency Agent, Lingah, of the delivery of the notice to the concessionaire at noon on the 10th October, i.e., seventeen days after its dispatch from Bunder Abbas.

3. On arrival at Shargah on the evening of the 16th October, the Residency Agent informed me that the Sheikh had not complied with his undertaking to ascertain the number of men on the island. I therefore again impressed upon him the importance of doing so, and in the result he sent a boat to the island, which returned on the 18th and reported that there were forty labourers. On the morning of the 17th I met the Sheikh by appointment at the British Agency. He informed me that he was prepared to send a sufficient force to the island, but that he feared Germany would take the matter up, and that the concessionaire would claim damages from him through the Residency; he therefore desired an assurance from Government that he would not subsequently suffer for the action now about to be taken. I replied that I would not fail to inform Government of his expressed fears, but reminded him that he had already, some months previously, warned Hassan-bin-Ali of the termination of the Concession, and that the monopoly granted to Herr Wonckhaus was arranged without reference to Esa-bin-Abdul Latif, the joint concessionaire.

4. The same afternoon, Sheikh Sagar, accompanied by the Residency Agent, called on me on board the "Lapwing." The Sheikh was manifestly ill at ease, the cause of which was evident later, when he informed me that one of the concessionaires, Abdulla-bin-Hassan, had arrived in Shargah and had handed him a letter (copy inclosed herewith) from Messrs. Wonckhaus' Lingah agent. He asked what reply he should send, and what he should say to Abdulla-bin-Hassan, who was constantly worrying him. I advised him not to reply to the Germans' letter, and to tell Abdulla that he had only issued the notice after careful consideration, and that he intended that it should be fully obeyed. As the Sheikh appeared to apprehend that the letter was written at the instance of the German Government, I saw fit to disabuse him and to point out that it was written by a German merchant only. Sheikh Sagar then asked what he should do as regards the oxide lying on the beach in the event of a German ship arriving at Abu Musa, as he feared that his guard might shoot some one, should the ship persist in loading. Being uncertain of Government's views as regards allowing Messrs. Wonckhaus to complete any existing orders they may have for oxide, I avoided giving a direct reply, merely remarking that with the expulsion of the labourers from the island a ship could not very well load, but that in any case uncalled for violence on the part of the guard should be avoided in the absence of any attempt to reoccupy the oxide Colony, which latter contingency should be carefully guarded against by leaving a force of at least thirty men there for a month or six weeks. The Sheikh acquiesced, and added that he would be careful to refer to Bushire should he receive further communications from the German firm.

5. Hearing that I was at the British Agency on the morning of the 19th, Sheikh Sagar, with his uncle, Salim-bin-Sultan, again called on me. The Sheikh appears to place much reliance on the sagacity and matured wisdom of his aged relative, and seemed anxious to engage him in conversation with me, in order to extract some sort of promise of support in the event of his action at Abu Musa involving him in difficulties; but, being aware of his evident intention, I was careful not to commit myself to any compromising statement.

6. I returned the Sheikh's visit at his house on the evening of the 19th October, and told him that I regretted not to have observed any preparations for the dispatch of his force. I reminded him that only eighteen hours remained ere the period stated in the notice would expire, and that, as it was, it would only be possible for his dhows to reach the island in time by being towed most of the way by His Majesty's ship "Lapwing." Evidently inspired by fear instilled by Abdulla-bin-Hassan, who I was told had been worrying the Sheikh all day, the Sheikh seemed inclined to hold back,

[1549]

3 I

and suggested waiting a few days in the hope that he could come to an understanding with the concessionaire. Upon this I advised him to act fully up to his notice, and urged that half-measures at this stage would be worse than useless. I reminded him that, but for Government's action a few years ago, he would have lost Abu Musa altogether, and that in the present case he had asked Government's advice as to how to proceed, and had acted upon it to a point where to draw back would in all probability materially weaken his hold on the island. At the same time I told him that, having tendered him this advice, I must ask him to say at once whether he intended to abide by it or not, as in the latter eventuality His Majesty's ship could not delay longer, and it would simply remain for me to inform Government that he was not desirous of proceeding further. The Sheikh then said that he would go through with the business, and would at once prepare the force for dispatch, and would refuse to see Abdulla-bin-Hassan again. The latter, seeing that the Sheikh was at last firm, left for Debai the same evening.

7. The "Lapwing" sailed for Abu Musa at daybreak on the 20th October and towed the Sheikh's four buggalows and two hired boats for the transport of the oxide labourers to within 4 miles of the island. Having warned Abdulla-bin-Ahmed-bin-Sultan (the Sheikh's cousin, who was in charge of the armed force) against the use of unnecessary violence, I proceeded to the concessionaire's encampment, and while warning Ahmed-bin-Ali Samaiyeh (the concessionaire's brother and local representative) of the approach of the force, told him that he had nothing to fear provided he at once obeyed the Sheikh's orders. The armed party then landed at different points on the island and surrounded the camp. The concessionaire's representative and workmen were cowed and at once consented to leave.

8. Owing to the high wind and consequent heavy sea prevailing, immediate embarkation was impossible, and for the remainder of the day and the greater part of the 21st the coolies were employed in packing up and collecting the mining property on the beach. As the storm showed no signs of abating, on the morning of the 22nd I advised the Sheikh's men to embark and dispatch the coolies and their families, 100 souls in all, at a sheltered spot on the further side of the island. This was done, and by 4 P.M. all were on board and the camp evacuated, the Sheikh's men then employing themselves in pulling down the mat huts, some twenty-six in number. The two buggalows, with the workmen and their effects, together with Ahmed-bin-Ali Samaiyeh, left for Lingah at 8 P.M.

9. Want of additional buggalows prevented the immediate dispatch to Lingah of the greater part of the concessionaire's mining requisites, and these were therefore collected and placed on the beach ready for dispatch at the first opportunity. They comprise 4 bullock-carts and 1 heavy iron wagon, about 200 baskets for loading oxide, together with 4 small barges for carrying oxide to the steamers. I should have desired to have remained at Abu Musa pending the removal of this property, but to do so was out of the question, the "Lapwing" having run short of provisions and stores of every kind. In these circumstances, I dispatched Esa-bin-Abdul Latif, who had accompanied me from Shargah, with instructions to the Residency Agent that he should advise the Sheikh to send two more buggalows for the transport of the remaining property. Having warned the Sheikh's representative not to allow any visitors to settle again in the oxide Colony, I left the island on the morning of the 23rd October, and proceeded to Bunder Abbas, calling *en route* at Henjam to dispatch telegrams.

10. The fact that the usual anchorage for steamers is in the immediate vicinity of the oxide Colony and that from this side of the island the Sheikh's flagstaff is entirely hidden from view, coupled with the importance of emphasizing the fact that the Sheikh has resumed full proprietary rights in the oxide quarries, led me to advise the Sheikh's representative to fly the flag at a point in the Colony which is in full view of approaching ships. He said he would do so after receiving the Sheikh's sanction. I trust my action has the approval of Government.

11. Adverting to the letter from Messrs. Wonekhaus' Lingah agent to Sheikh Sagar, I do not know how far the Government of India will be disposed to recognize Wonekhaus' claim to the ownership of the oxide now lying on the beach, which I estimate as amounting to some 500 tons. I venture to think, however, that, even allowing them to base their claim on the terms of their illegal contract with Hassan-bin-Ali Samaiyeh, they would have some difficulty in substantiating it, while the claim to the mines and the Concession for them as security for advances paid can scarcely be considered seriously. In view, however, of the threat contained in the Germans' letter to send men to protect "their property," I desire to repeat here the recommendation made in my telegram of the 23rd October as to the advisability of sending a gun-boat to Abu

Musa again as soon as possible, pending the removal of the remaining property, and for the purpose of advising the Sheikh's representative in the event of a German ship arriving and persisting in loading with oxide.

12. In conclusion, it remains for me to bring to the notice of the Government of India the ready assistance and help afforded by Lieutenant Commander Gouldsmith, of His Majesty's ship "Lapwing," whose action in towing the six dhows for the greater part of the way from Shargah to Abu Musa alone enabled the Sheikh's force to arrive promptly at the conclusion of the ten days' grace.

13. A copy of this letter is being forwarded to the Political Resident in the Persian Gulf.

Inclosure 2 in No. 311.

Messrs. Wonekhaus and Co. to Sheikh Sagar-bin-Khalid.

Dear Sir,

MESSRS. HAJI HASSAN-BIN-ALI SOMEY AND Co. inform us that you have sent a notice requesting them to remove from Abu Musa all coolies, carts, and other implements, and to stop working the oxide mines.

You are aware that we have contracted with the above firm a large quantity of oxide for a number of years, and have paid over to them very considerable advances. We beg to inform you that the oxide lying on the seashore in Abu Musa is our property, and that we consider the mines and the Concession for them as a security for the advances paid. If you force Messrs. Haji Hassan-bin-Ali Somey and Co. to withdraw their coolies and representative, we shall have to send over some men ourselves to protect our property.

We contracted for a quantity of oxide with the mentioned firm, knowing that their leasehold is a "bona fide one." It would be idle on your part to dispute this, as you yourself were a partner to it in the beginning, and sold your share to Hassan-bin-Ali. The relative documents still exist.

We therefore take the liberty to advise you to withdraw your notice and abstain from further interference in the working of the oxide mines in Abu Musa.

We are, &c.
(Per pro. Robert Wonekhaus and Co.),
(Signed) THOMAS BROWN.

[39125]

No. 312.

Mr. Marling to Sir Edward Grey.—(Received November 27.)

(No. 357.)

(Telegraphic.) P.

Tehran, November 27, 1907.

I LEARN from Minister for Foreign Affairs that Persian Sunni tribes are being incited to pillage by Turkish Sunnis who are moving towards Baneh from Sulcimanieh districts, and that at Saoujboulak similar action is being taken.

[38956]

No. 313.

Sir Edward Grey to Sir A. Nicolson.

(No. 335.)

(Telegraphic.)

Foreign Office, November 27, 1907.

IN view of unsettled state of affairs at Shiraz and Ispahan, it has been arranged that present Consular guard shall remain at both places after arrival of usual reliefs until situation improves. Guard of twenty men and two officers are being sent to various camps of Oil Syndicate near Ahwaz for protection of British employes and property, Khans having disclaimed responsibility, and Persian Government being powerless to protect. You should inform Russian Government.

[37855]

No. 314.

Sir Edward Grey to Sir N. O'Connor.

(No. 482.)

Sir,

Foreign Office, November 27, 1907.

I HAVE received your despatch No. 688 of the 12th instant, in which you transmit a report from His Majesty's Vice-Consul at Van on the military aspects of the Turco-Persian frontier dispute.

I have to request your Excellency to thank Captain Dickson for this report.

I approve your Excellency's action in refusing to sanction Captain Dickson's proposal that he should visit Vazné.

I am, &c.
(Signed) E. GREY.

[39216]

No. 315.

Sir A. Nicolson to Sir Edward Grey.—(Received November 25.)

(No. 249.)

(Telegraphic.) P.

St. Petersburg, November 28, 1907.

TURCO-PERSIAN frontier. Referring to your telegram No. 184 of the 26th November.

I am informed by M. Isvolsky that M. de Hartwig has been instructed to make communication to Persian Government in concert with Mr. Marling.

[39214]

No. 316.

Mr. Marling to Sir Edward Grey.—(Received November 28.)

(No. 358.)

(Telegraphic.) P.

Tehran, November 28, 1907.

YOUR telegram No. 184 of the 26th instant respecting Turco-Persian frontier.

M. de Hartwig is of opinion that if we made communication in the sense suggested by Sir A. Nicolson in his telegram No. 248 of the 25th instant, it would be regarded as a voluntary admission that the action of the two Governments at Constantinople has failed to effect anything. I entirely agree as to bad effect which would be produced, and I propose to say nothing more unless asked by Persian Government, to whom I have verbally indicated more than once His Majesty's Government's reasons for questioning the necessity for the Consuls being present at meetings of Commission.

The decision of the two Governments has been communicated to Mr. Wratislaw.

In spite of urgent orders from Tehran, Persian Commissioner is loitering at Tabreez, but may arrive at Urumia in four or five days' time.

[39225]

No. 317.

Mr. Marling to Sir Edward Grey.—(Received November 28.)

(No. 360.)

(Telegraphic.) P.

Tehran, November 28, 1907.

GUARDS for Oil Syndicate employes.

I entirely agree with Military Attaché here that there should be no isolated post of less than twenty men under a British officer. It remains to be decided how many places are to be protected if this view is adopted.

Lorimer's views should, I think, arrive in a few days, but unless his letter to Cox of the 20th instant shows that the situation is much improved, I understand that much more is necessary than protection against mere pilfering. It would, therefore, seem to be most imprudent to post at four places small isolated parties, and I cannot believe, with all deference to Cox' opinion, that even for the duties he suggests six men at each of the four places mentioned would be sufficient.

Reference is to my telegram No. 359 of to-day's date.

[39224]

No. 316*.

Mr. Marling to Sir Edward Grey.—(Received November 28.)

(No. 359.)

(Telegraphic.) P.

Tehran, November 28, 1907.

GUARD at Ahwaz.

His Majesty's Consul-General at Bushire telegraphs as follows (No. 154, dated yesterday):—

"The situation has changed since two months ago, when I recommended twenty men (please refer to my telegram No. 76 of the 28th September from Shiraz).

"There is a distance of 40 miles between Maidan-i-Munaftun and Mamatain, which are the two chief centres of work at present. I understand that Maidan-i-Munaftun comprises two borings about 1 mile from each other, with a workshop in between the two, and also has a base 16 miles away, at Batwand, and the two camps that form Mamatain are 2 miles apart. It seems likely that the borings now proceeding at the latter may prove unprofitable, and be abandoned. The guard would in that case be transferred to the former.

"I am awaiting further news from Lorimer as to how he thinks the guard should be distributed, as his reports hitherto have not been precise on this point. They appear to indicate that a total of eight sowars and sixteen infantry would suffice, disposed in bodies of two sowars and four infantry at each locality (i.e., Maidan-i-Munaftun, Batwand, Shardin, and Mamatain). For purposes of escort work between camps, protection from petty thefts, now frequent, and sentry go. This would, I think, be a reasonable provision, but if the Bakhtiari became more actively hostile the situation could only be dealt with by measures on an entirely different scale, the adoption of which is apparently unlikely to recommend itself to His Majesty's Government. If the twenty men suggested by me two months ago have already started, Lorimer could probably lend the extra four included in this scheme for the time being, until it has been decided whether Mamatain is to be relinquished or not.

"I learn from Lorimer's last letter, dated the 20th instant, that the provisional guards are still a mere farce, that pilfering is going on as usual, and that, failing the provision of more adequate protection, the civilian employes will probably abscond.

"Messages to Ahwaz still go on by post, and there seems no chance of the telegraph line being in working order for a considerable time."

[39316]

No. 318.

Sir N. O'Connor to Sir Edward Grey.—(Received November 29.)

(No. 159.)

(Telegraphic.) P.

Constantinople, November 29, 1907.

FOLLOWING telegram received from Urumia, No. 28, dated the 28th instant:—

“Referring to my last telegram, the Russian officer has left for Russia and Tehran.

“With reference to your telegram No. 12 of the 26th instant, respecting the meeting place of the Commission, the only convenient place affording decent accommodation for the winter is Urumia. Bashkaleh is little more than a village, and the journey there in the middle of winter, as well as the return journey before May, would be extremely difficult. The Turks will hardly wish to return if they come to this side to discuss the matter. Am I to leave the decision with the Commissioners or press them to agree to Bashkaleh?

“Your Excellency has been misinformed by the Porte respecting the arrival of the Russian Commissioner. He only arrived at Tabreez on the 24th instant, and has informed me through the British Vice-Consul that he will set out viâ Soujboulak and Ushnu in a few days' time.

“I expect he will hardly arrive before ten days.”

[39305]

No. 319.

Sir A. Nicolson to Sir Edward Grey.—(Received November 29.)

(No. 251.)

(Telegraphic.) P.

St. Petersburg, November 29, 1907.

PERSIA. Referring to your telegram No. 335 of the 27th November.

I have informed M. Isvolsky that at Ispahan and Shiraz it was intended to increase the Consular guards, and that measures had been taken to protect the Oil Syndicate's agents. His Excellency replied that the question of increasing the protection of Russian Consulates, &c., was being considered by him.

[39315]

No. 320.

Sir A. Nicolson to Sir Edward Grey.—(Received November 29.)

(No. 252.)

(Telegraphic.) P.

St. Petersburg, November 29, 1907.

REFERRING to your telegram No 185 to Tehran of the 26th instant, and to Mr. Marling's telegram No. 362 of the 29th instant: Turco-Persian frontier.

As regards place of meeting of Commission, I have not spoken to M. Isvolsky, nor have I asked him to send instructions to M. de Hartwig.

I should be glad to know if you wish me to say anything.

[39304]

No. 321.

Mr. Marling to Sir Edward Grey.—(Received November 29.)

(No. 362.)

(Telegraphic.) P.

Tehran, November 29, 1907.

MEETING-PLACE of Turco-Persian Frontier Commission.

There is, I presume, no question of expelling Turks by force applied locally, and is it in that case material how much they may consolidate their position there?

Russian Minister, who is without instructions, thinks that dangers anticipated in the last paragraph of Sir N. O'Connor's telegram of the 26th instant to Wratisslaw are of little importance as compared with the delay inevitable if a discussion as to the place of meeting is now initiated by us, and that our credit here will be still further injured by such a delay. (See your telegram No. 185 of the 26th instant.)

[39310]

No. 322.

Mr. Marling to Sir Edward Grey—(Received November 29.)

(No. 363.)

(Telegraphic.) P.

Tehran, November 29, 1907.

THE Shiraz situation is somewhat better, but the Government is having difficulty in finding a new Governor.

The Tehran situation has again become threatening since my telegram No. 341 of the 13th instant.

A letter, written the day before yesterday to the Assembly by the Shah demanding the suppression of political Committees, was yesterday afternoon read at a private sitting of the Assembly.

There is circumstantial evidence that the Shah's action is inspired by the notorious tool of the Russian Legation, Saaded Dowleh.

The most prominent speakers, who also accused Russia of direct complicity, strongly asseverated this, and the Assembly expressed its unanimous conviction of the implacable hostility of the Shah, the activity of which the Prime Minister, who was present, could not deny.

His Excellency told me on the 25th instant that he had proof that the Shah is trying to form a powerful bodyguard, and is encouraging Turkoman raids. Serious trouble will result if the Shah, relying on this bodyguard, should attempt to suppress Committees.

On account of disturbances during the night before last, when one man was killed, bazaar was closed yesterday.

[36777]

No. 323.

Sir Edward Grey to Mr. Marling.

(No. 186.)

(Telegraphic.) P.

Foreign Office, November 29, 1907.

GUARDS at Isphahan.

India Office have requested Viceroy to send immediately the reliefs for the guard at Isphahan Consulate.

In addition, the guard which is there at present moment will be retained.

[39225]

No. 324.

Sir Edward Grey to Mr. Marling.

(No. 187.)

(Telegraphic.) P.

Foreign Office, November 29, 1907.

SITUATION in Persia.

I have received your telegrams Nos. 359 and 360 of the 28th instant on above subject.

To send an expeditionary force, or any such thing, into Persia would be contrary to policy pursued by us.

You recommend that we should send 100 men to Ahwaz. On military grounds, such a force would be too small to be justifiable, but it is sufficiently large for Russian Government and National Assembly at Tehran to put a misconception on our intentions.

It is another matter, however, to send two officers with twenty men (The demand when first made was for that number.) These should be regarded as a substantial reinforcement to the twelve men which Captain Lorimer intended to use at various places, including Batwand (see his despatch of the 14th September).

As regards their use, he will be allowed to exercise his discretion respecting numbers and positions.

From your telegram I gather that to protect all the camps would be a task too great for their numbers.

In that case the employés must assemble where protection can be afforded them.

If it is anticipated that the Bakhtiari will make an attack of a serious nature, the officers, troops, and British employés should retreat to the river, avoiding an engagement.

[39726]

No. 325.

Sir Edward Grey to Sir A. Nicolson.

(No. 410.)

Sir,

Foreign Office, November 29, 1907.

TO-DAY, after asking me whether I had anything I wished to say, as M. Poklevsky was leaving for St. Petersburg on Monday, Count Benckendorff remarked that matters in Persia seemed to be very disquieting.

I said they were in a very bad state, and there were disorders all over the country. But there was, apparently, no anti-foreign feeling that called for interference; and as long as this was so, I thought it very much better not to interfere, and to sit still and wait till things came right.

We were sending an officer and twenty men to prevent the employés at Mr. D'Arey's Oil Concession from being driven away and the work stopped, but this was near the coast, and the trouble arose from the attitude of the Bahktiari Khans, and was a local affair.

We had instructed our Chargé d'Affaires at Tehran to tell British subjects in the interior that, if there was danger, they must withdraw to the coast; but so far it had not seemed necessary for any of them to take this step.

Count Benckendorff observed that the state of Persia was a great difficulty in the way of the working of our Convention. It was time this was put in operation. For instance, the exchange of telegraphs should take place.

I said it was no doubt difficult, in the present state of confusion, to arrange this with the Persian Government; and we were waiting for a favourable opportunity for putting the matter forward.

With reference to the Turco-Persian frontier, I observed that both M. Zinovieff and Sir N. O'Connor had been strongly against demanding that our Consuls should be admitted to the Turco-Persian Commission, on the ground that the Turks would reply that this was an unwarranted interference before the Commission had had a chance of coming to an agreement, and that to put forward such a demand, to have it refused, and then not to insist upon it would weaken the effect of any further steps we might think it necessary to take.

The winter would prevent any further movements of Turkish troops. There was, therefore, nothing to be lost for the moment; and there were other questions which might come to a head presently.

The state of Armenia was very bad.

Macedonia appeared to be worse than ever.

As all the Ambassadors were agreed on the Russian alternative, we were going to put forward soon, I hoped, the proposals for judicial reforms. I feared the Porte would meet these with a negative answer; and we should then have to consider, in connection with that, what steps the Powers were ready to take. If coercive measures were required, it would probably be better that they should be taken by all the Powers together, rather than by Russia and England alone, in such a way as to settle other questions besides that of the Persian frontier.

I had not intended to make any communication on this subject just now. But as Count Benckendorff had asked whether I had anything to say, I had told him what was working in my mind. But he must regard this as quite informal, not as implying that I had any definite plan, or had come to any decision as to the course which we wished to adopt.

I am, &c.
(Signed) E. GREY.

[38667]

No. 326.

Sir Edward Grey to Mr. Marling.

(No. 199.)

Sir,

Foreign Office, November 29, 1907.

I HAVE received your despatch No. 236 of the 31st ultimo respecting the non-payment of the interest on the British Loan of 1903-4 and the request of the Persian Government for the temporary suspension of the sinking fund of that loan.

I approve the terms of the note which you addressed to the Persian Government on the 15th October.

I am, &c.
(Signed) E. GREY.

[39316]

No. 327.

Sir Edward Grey to Sir N. O'Connor.

(No. 180.)

(Telegraphic.) P.

Foreign Office, November 30, 1907.

PLEASE refer to your telegram No. 159 of the 29th November, Turco-Persian frontier.

Under the circumstances it appears to be best that the Commissioners themselves should be left to decide as to the meeting place. Please cause Mr. Wratislaw to be informed in above sense.

[39315]

No. 328.

Sir Edward Grey to Sir A. Nicolson.

(No. 336.)

(Telegraphic.) P.

Foreign Office, November 30, 1907.

PLEASE refer to your telegram No. 252 of the 29th November.

There is now no need for any communication to be made by your Excellency on subject of Turco-Persian boundary dispute.

[39459]

No. 329.

Sir N. O'Connor to Sir Edward Grey.—(Received December 1.)

(No. 161.)

(Telegraphic.) P.

Constantinople, December 1, 1907.

THE following is a repetition of Mr. Wratislaw's telegram No. 29, dated the 28th ultimo:—

"There is now no administrative authority in Urmia, as the Governor was driven out of the town yesterday. The respectable portion of the population have long been terrorized by the Fedais, and there has been friction between the latter and the Governor for some weeks past."

[39461]

No. 330.

Mr. Marling to Sir Edward Grey.—(Received December 1.)

(No. 364.)

(Telegraphic.) P.

Tehran, December 1, 1907.

IN spite of strong and persistent representations the Persian Government have taken no steps to cope with the Shiraz situation.

On the 29th November a servant of His Majesty's Consul at Shiraz was wounded close to the Consulate gates in a scuffle ensuing on a brutal assault on another servant who was robbed by Kashgais.

The sowars captured one Kashgai. He was handed over to the local authorities after giving the names of his accomplices. But the former deny his statements, and attribute the outrage to the opposite faction.

I am making strong representations on the subject to the Persian Government.

[39641]

No. 331.

India Office to Foreign Office.—(Received December 2.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 26th instant, relative to the Ispahan Consular guard.

India Office, November 30, 1907.

Inclosure in No. 331.

Mr. Morley to Government of India.

(Telegraphic.) P.

India Office, November 26, 1907.

PERSIA. Please see your telegram of the 15th ultimo.

Foreign Office request that orders may be issued for the immediate dispatch of twelve additional men to Ispahan, via Bushire, and that the relief of the present escort be deferred until next spring.

Please issue necessary instructions accordingly.

[39678]

No. 332.

Mr. Marling to Sir Edward Grey.—(Received December 2.)

(No. 365.)

(Telegraphic.) P.

Tehran, December 2, 1907.

I AM making strong representations to the Persian Government in pursuance of the following report telegraphed from Bushire yesterday:—

"A report from His Majesty's Consul at Bunder Abbas states situation there serious, and that neighbourhood is being raided by a large body of Baharlu (adherents of the Kawam-ul-Mulk), by whom town may be attacked.

"In order to protect British interests, Resident has made arrangements for His Majesty's ship 'Lapwing' to proceed to Bunder Abbas."

[38671]

No. 333.

Sir Edward Grey to Mr. Marling.

(No. 200.)

Sir,

Foreign Office, December 2, 1907.

I HAVE received your despatch No. 240 of the 6th instant, reporting on the present state of the Turco-Persian frontier question.

I approve the action taken by you with a view of preventing the dispatch of Persian troops to the frontier.

I am, &c.
(Signed) E. GREY.

[38676]

No. 334.

Sir Edward Grey to Mr. Marling.

(No. 202.)

Sir,

Foreign Office, December 2, 1907.

I HAVE received your despatch No. 245 of the 7th ultimo relative to the attitude of the Bakhtiari Khans with regard to Messrs. Lynch's claims and the supply of guards for the protection of the employés of the Oil Syndicate.

I approve the terms of your letter to the Khans of the 8th October and of your note to the Persian Government of the 9th October.

I am, &c.
(Signed) E. GREY.

[38669]

No. 335.

Foreign Office to India Office.

Sir,

Foreign Office, December 2, 1907.

WITH reference to your letter of the 3rd August last relative to the question of the renewal of the Concession of the Indo-European Telegraph Department in Persia, I am directed by Secretary Sir E. Grey to transmit herewith a copy of a despatch on

[1519]

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the subject from His Majesty's Chargé d'Affaires at Tehran,* forwarding Memorandum by Mr. Barker and by Mr. Vansittart of His Majesty's Legation.

Sir E. Grey would be glad to be furnished with Mr. Secretary Morley's observations on the views expressed in this despatch and its inclosures.

I am, &c.
(Signed) LOUIS MALLET.

[39765]

No. 336.

Sir N. O'Connor to Sir Edward Grey.—(Received December 3.)

(No. 162.)

(Telegraphic.) P.

Constantinople, December 3, 1907.

TURCO-PERSIAN frontier.

Following telegraphed to Mr. Wratislaw to-day, No. 13:—

“With reference to your telegram No. 28, regarding the place of meeting of the Commission, the Secretary of State for Foreign Affairs considers the Commissioners themselves had better be left to decide the question.”

[39768]

No. 337.

Sir N. O'Connor to Sir Edward Grey.—(Received December 3.)

(No. 163.)

(Telegraphic.) P.

Pera, December 3, 1907.

I HAVE received the following telegram, No. 30, from Urumia:—

“Turco-Persian frontier.

“With reference to your telegram No. 12.

“There is no real reason why the Commission should not meet in town, which has hitherto been quiet. But if a pretext for objecting to this place is desired by the Turks, they can validly allege that a state of anarchy technically prevails. It seems also as if the Persian Commissioner were on this account delaying his arrival.

“Governor-General of Azerbaijan has forbidden Governor to leave district. The latter still remains on the shore of the lake, and has, so far, refused to obey orders or requests to return. The Fednis would, I think, yield to the smallest show of force from Tabreez.”

[38677]

No. 338.

Sir Edward Grey to Mr. Marling.

(No. 203.)

Sir,

Foreign Office, December 3, 1907.

I HAVE received your despatch No. 246 of the 7th ultimo relative to the attitude of the Khans in regard to the Bakhtiari Road and the Oil Syndicate.

I concur in your proposal to approve the action taken by Captain Lorimer, who appears to have acted with judgment in circumstances of considerable difficulty.

I am, &c.
(Signed) E. GREY.

[38672]

No. 339.

Sir Edward Grey to Mr. Marling.

(No. 204.)

Sir,

Foreign Office, December 3, 1907.

I HAVE received your despatch No. 241 of the 6th ultimo, reporting the steps taken by you with a view to induce the Persian Government to engage M. Bizot as

* No. 282.

[39969]

No. 312*.

Mr. Marling to Sir Edward Grey.—(Received December 5.)

(No. 366.)

(Telegraphic.) P.

Tehran, December 5, 1907.

CONSULAR guard at Ahwaz.

I have received your telegram No. 187 of the 29th ultimo.

Information has reached me from India that the relief party will start to-morrow from Karachi.

I have approached the Persian Government accordingly, informing them of the decision that has been taken, and asking for the usual facilities for the party. The Minister for Foreign Affairs was inclined to raise the objection that an excuse would thus be provided for Russia to cause the Cossack guards of the Russian Consulate at Tabreez to be increased, and he observed that the situation there was threatening. The Prime Minister, however, took a perfectly reasonable view, and he agrees to keep the matter secret until the men land, in order to avert any popular excitement.

On the whole no serious difficulty need be anticipated.

Financial Adviser and to accept the wording for the Contract proposed by the French Minister.

I approve your action in the matter as reported in your despatch.

I am, &c.
(Signed) E. GREY.

[39678]

No. 340.

Foreign Office to Admiralty.

(Confidential.)

Sir,

Foreign Office, December 3, 1907.

I AM directed by Secretary Sir E. Grey to transmit to you herewith, to be laid before the Lords Commissioners of the Admiralty, copy of a telegram from His Majesty's Chargé d'Affaires at Tehran,* relative to the state of affairs at Bunder Abbas.

It is stated by Mr. Marling that the Resident at Bushire has arranged for His Majesty's ship "Lapwing" to proceed to Bunder Abbas to protect British interests.

Sir E. Grey, however, thinks it desirable to consider the possibility of still further protection being required by His Majesty's Consul, and I am to express the hope that in that event additional assistance will be within reach of Bunder Abbas.

I am, &c.
(Signed) LOUIS MALLET.

[39797]

No. 341.

India Office to Foreign Office.—(Received December 4.)

Sir,

India Office, December 3, 1907.

WITH reference to my letter of the 7th November, stating that the Government of India had been instructed, in accordance with the request made in your letter of the 5th ultimo, to arrange that the present Consular escort should remain at Shiraz after the arrival of the expected reliefs until the situation had improved, I am directed by Mr. Secretary Morley to draw the attention of the Secretary of State for Foreign Affairs to the fact that no reference was made in the correspondence to the incidence of the cost.

It is presumed that the cost of the measure will be equally divided between the British and Indian Exchequers in accordance with the procedure followed in similar cases. The amount involved will depend on the period for which it may be found necessary to retain at Shiraz the escort which, in ordinary circumstances, would have returned to India on the arrival of the reliefs.

I am, &c.
(Signed) A. GODLEY.

[39948]

No. 342.

Admiralty to Foreign Office.—(Received December 5.)

(Confidential.)

Sir,

Admiralty, December 5, 1907.

WITH reference to your letter of the 3rd instant, respecting the state of affairs at Bunder Abbas, I am commanded by my Lords Commissioners of the Admiralty to acquaint you, for the information of the Secretary of State for Foreign Affairs, that the following vessels are at present within reach of Bunder Abbas:—

His Majesty's ship "Sphinx," at Henjam.

His Majesty's ship "Highflyer," en route from Henjam to Dayir (left yesterday).

His Majesty's ship "Redbreast," left Muscat the 4th instant for Jask).

The Commander-in-chief, East Indies, is therefore in a position to take any action which may be required for the further protection of British interests at Bunder Abbas.

I am, &c.
(Signed) W. GRAHAM GREENE.

[40002]

No. 343.

India Office to Foreign Office.—(Received December 6.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 5th instant, relative to the proposed purchase of vessels by the Persian Government.

A copy has been sent to the Admiralty.

India Office, December 5, 1907.

Inclosure in No. 343.

Government of India to Mr. Morley.

(Telegraphic.) P.

December 5, 1907.

WE repeat for your information substance of a telegram received from the First Assistant Resident, Persian Gulf, dated the 2nd instant:—

"I have been informed by M. Constant, Provincial Director of Customs, that he has received authority to sell the 'Persepolis' and 'Muzaffer,' as well as two launches, and to negotiate for the purchase of two vessels of light draught, which would be capable of transporting a considerable number of Persian troops and carrying a few guns.

"M. Constant states it is the wish of the Persian Government to secure one vessel without delay, and asks me to ascertain whether the Government of India has for sale a suitable vessel, similar in draught and size to the 'Lawrence' or 'Sphinx,' or whether they would be prepared to arrange to sell one of the vessels stationed in the Persian Gulf; and, if they are so prepared, on what conditions.

"As regards a second vessel, M. Constant inquires whether the Admiralty at home have a suitable sloop or gun-boat among the ships which have been removed from the active list, which they would be willing to dispose of to the Persian Government by sale, and, if so, on what conditions. He has written to me on the subject officially and confidentially, but whether he is acting with full authority, or whether any negotiations are being carried on at Tehran, is not quite clear. It is, in the meantime, being reported locally that the Persian Government has already arranged for the purchase from Germany of four new vessels, and that the ships mentioned in the first paragraph of my telegram are being sold.

"Repeated to Tehran."

[40237]

No. 344.

Mr. Marling to Sir Edward Grey.—(Received December 7.)

(No. 367.)

(Telegraphic.) P.

Tehran, December 7, 1907.

STRAIN is again becoming evident in political situation here.

It seems that the Shah, assisted by the Ralliés of September (see Sir C. Spring-Rice's telegram No. 285 of the 2nd October), is preparing a *coup d'état*. Prime Minister's position has been made almost intolerable by campaign of latter against him, and a crisis is to be feared if Cabinet resigns.

[40002]

No. 345.

Sir Edward Grey to Mr. Marling.

(No. 190.)

(Telegraphic.) P.

Foreign Office, December 7, 1907.

PLEASE refer to telegram dated the 2nd instant from Resident at Bushire.

For what object do Persian Government require ships, and how do they propose to pay them? You should inquire and report.

[24150]

No. 346.

Sir Edward Grey to Mr. Marling.

(No. 191.)

(Telegraphic.) P.

Foreign Office, December 7, 1907.

PLEASE refer to telegram, No. 185 of the 20th July, from Sir C. Spring-Rice respecting loans in Persia.

With regard to payment of interest, you should inform me what result has been obtained from any representations on the subject which the Legation has made.

[38101]

No. 347.

Foreign Office to India Office.

Sir,

Foreign Office, December 7, 1907.

I AM directed by Secretary Sir E. Grey to transmit herewith, to be laid before Mr. Secretary Morley, copy of a letter from the Treasury on the subject of the advance of 300,000L., made in two instalments, to the Persian Government by the Government of India in 1903 and 1904.*

It will be seen that the Lords Commissioners of the Treasury sanction the suspension of the sinking fund on the loan for three years, but presume that no claim will be made on the Imperial Exchequer in consequence of the failure of the Persian Government to fulfil their obligations.

The only loss which, so far as Sir E. Grey is aware, may have resulted to the Government of India from the loan transaction is the no doubt comparatively trifling one occasioned by the delay of six months in the payment of interest which was granted to the Persian Government in April last, and Sir E. Grey ventures to hope that Mr. Morley will see his way to waive any claim which he might have against Imperial funds on this account.

The Lords Commissioners draw attention to the desirability of informing Parliament of the liability which His Majesty's Government have undertaken to share half of any loss which the transaction may cause to the Government of India. With regard to this I am to say that, in view of the conclusion of the Anglo-Russian Agreement, there is, in Sir E. Grey's opinion, no longer any reason, from the point of view of foreign policy, for keeping secret the details of the loan.

There may, however, be objections from a Parliamentary point of view, and Sir E. Grey would be glad to be furnished with Mr. Morley's views on this point, together with any general observations which he may have to offer on the letter from the Treasury.

I am, &c.
(Signed) LOUIS MALLET.

[40401]

No. 348.

Consul-General Wratislaw to Sir Edward Grey.—(Received December 9.)

Sir,

Urmí, November 12, 1907.

IN conformity with the instructions I have received from His Majesty's Ambassador at Constantinople, I have the honour to forward herewith the copy of a despatch which I have addressed to His Majesty's Chargé d'Affaires at Tehran, inclosing extracts from the "Missionary Herald" bearing on the present frontier dispute between Turkey and Persia.

I have, &c.
(Signed) A. C. WRATISLAW.

* No. 247.

[1549]

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Inclosure 1 in No. 348.

Consul-General Wratislaw to Mr. Marling.

(No. 26.)

Sir,

Urmi, November 2, 1907.

WITH reference to my telegram No. 123 of the 31st ultimo, I have the honour to inclose herewith extracts from the reports of American missionaries at Urmi, which were published in the American "Missionary Herald" in 1838, 1842, 1847, and 1850, and which bear on the present Turco-Persian frontier question.

From these extracts it is plain that in those years (1) the Persian frontier coincided with the ridges of the high mountains west of Mergavar and Tergavar; (2) that the districts of Mergavar and Tergavar were Persian territory, the former being the property of a Persian Prince, uncle of the present Governor of Urmi; (3) that Baradost was Persian, the frontier lying to the west of Ghengetchin, and that the Turkish custom-house was established at Bazjerghé still further to the westward.

It is to be noticed that in the first extracts the frontier is mentioned as being between Persia and independent Kurdistan, the Turks not having yet completely subjugated the Kurds.

If the Turks dispute the position of the *status quo* frontier, this testimony of impartial foreigners to what it was sixty or seventy years ago should not be without value. Subject to your approval, I propose to say nothing about this evidence until the Turkish Commissioners have shown their hand, when it may be expedient to draw the attention of the Persian Commissioners to it.

I have, &c.
(Signed) A. C. WRATISLAW.

Inclosure 2 in No. 348.

Newspaper Extracts respecting the Frontier Dispute between Turkey and Persia.

From Journal of Dr. Grant, published in the American "Missionary Herald" of August 1838.

July 13, 1837.—Took leave of our host at an early hour in the morning and rode about 30 miles into the adjoining district of Mergawer. It consists of an elevated plain about 15 miles long, and 8 or 10 broad, surrounded with mountains, and is inhabited by Koords and a few Nestorians. It belongs to the Prince Malek Manser Mirza, who is spending the warm season in tents near the snowy mountains which bound the plain on the west. We reached his encampment at noon, and were soon provided with a tent and everything we could desire for our convenience and comfort . . . A year ago last autumn the Ravendoose Koords plundered the district of Mergawer and murdered or carried off many of the inhabitants.

Concluding Remarks.— . . . The high ridge of mountains west of Ooroomiah divides the Persian provinces from independent Koordistan. It also draws a dividing line between the Nestorian Christians, and presents a barrier to our immediate access to much the larger portion of them.

From Journal of Mr. Stocking, published in the American "Missionary Herald" of July 1842.

March 22, 1841.—Accompanied by Mar Yoosuph, I started for Tirgerwer, a mountainous district adjoining Koordistan, and about 25 miles west of Ooroomiah. The Mission for a considerable time have sustained three schools there, but hitherto none of our number have ventured into that district on account of the number of predatory Koords inhabiting it. . . . The present time was deemed favourable, as the Koords, while in their villages, are restrained from violence by the fear of the Persian Government.

Hakkai, the first village at which we stopped, and where we have a school, is situated on the declivity of a lofty ridge of mountains, constituting the boundary line

between this part of Persia and independent Koordistan. . . . From this place we proceeded near the foot of the mountain to Ballulan, a village of several hundred Nestorians. . . . From Ballulan we proceeded to Ambie, a village a few miles distant, and near the foot of the mountain.

Visit of Messrs. Stocking and Stoddard to Tergawer, published in the American "Missionary Herald" of February 1847.

August 2, 1846, at Derbend.—Deacon Isaac, who accompanied the Americans here, as at Tulu, urged upon the people the necessity of repentance and a living faith. When they complained that it was impossible to keep God's commands, oppressed as they were by their Persian masters on the one hand, and by the lawless Koords who crossed the boundary of Turkey on the other, Isaac assured them that this distress was all in consequence of their sins. . . . On the following Saturday (*i.e.*, after the 7th August) Mr. Stoddard, accompanied by John, went to Marbeshoo, a large village 20 miles from Tergawer, and entirely beyond the boundary of Persia.

Return of Messrs. Perkins and Stocking from Mosoul, published in the American "Missionary Herald" of March 1850.

June 9, 1849.—Passing by Basan, which has a strong but decayed castle and a few families of Nestorians, the rest of the inhabitants being Koords, Mr. Perkins came to Bazirga, the frontier village between Turkey and Persia. Here two Turkish officers are stationed to keep a custom-house. The population consists of ten families of Jews and about twenty families of Koords. The Sabbath was spent at Gergachin . . . Gergachin (evidently Ghenghetchin). . . . We were soon reminded that we were in Persia instead of Turkey by indications of insecurity around us. Hardly were we seated, &c. . . . The district of Baradost is a fine grassy plain, about 10 or 12 miles long and 7 miles wide. It is situated directly north of Tergawer, a low ridge of mountains, and the deep valley of the Nazloo River lying between. North of Baradost is the district of Somai, of about the same extent.

[40283]

No. 349.

Sir A. Nicolson to Sir Edward Grey. —(Received December 9.)

(No. 587.)

Sir,

St. Petersburg, November 25, 1907.

WITH reference to my despatch No. 576 of the 18th instant, I have the honour to transmit copy of a private letter which I have received from M. Iswolsky relative to a communication which it is proposed that the British and Russian Representatives should make to the Persian Government in regard to the question of the Consuls assisting at the meetings of the Turco-Persian Frontier Commission.

I have, &c.
(Signed) A. NICOLSON.

Inclosure in No. 349.

M. Iswolsky to Sir A. Nicolson.

Mon cher Ambassadeur,

Saint-Petersbourg, le 11 (24) Novembre, 1907.

NOUS ne pouvons que partager pleinement l'avis du Gouvernement Britannique sur la question de la frontière Turco-Persane, et nous pensons également qu'une démarche tendant à faire admettre la participation des Commissaires Anglais et Russe à la Commission Frontière serait intempestive.

En conséquence, je compte munir M. de Hartwig d'instructions télégraphiques, l'invitant à déclarer à Mushir-ed-Dowleh que le Gouvernement Impérial est d'avis qu'une fois que les travaux de la Commission Frontière sont à la veille de commencer, il est indispensable d'en attendre les résultats avant de procéder à d'autres démarches; que par conséquent le point le plus essentiel en ce moment est que les Commissaires Persans arrivent à la frontière aussi vite que possible; et que cette manière d'agir ne

saurait avoir de résultats défavorables quelconques pour la Perse, car l'hiver imminent placera évidemment les troupes Turques dans l'impossibilité de continuer leur mouvement progressif sur le territoire Persan.

Quant à la question du refus probable que les Turcs opposeraient à la proposition de faire participer les Commissaires Anglais et Russe aux travaux de la Commission, je pense qu'il serait peut-être plus prudent de ne pas en faire mention pour le moment dans notre communication au Gouvernement du Schah.

Si vous me faites savoir que le Cabinet de Londres consent à envoyer à Mr. Marling des ordres dans le même sens, je ferai immédiatement expédier à notre Envoyé à Téhéran l'instruction dont il s'agit.

Veuillez, &c,
(Signé) ISWOLSKY.

[40300]

No. 350.

Sir A. Nicolson to Sir Edward Grey.—(Received December 9.)

(No. 604. Confidential.)

Sir,
M. ISVOLSKY remarked to me to-day that he was much troubled about the Turco-Persian frontier difficulty. He was not thinking of the effect which might be produced in Persia, but certain of the localities which had been occupied by the Turks had an important strategical value, and were of serious concern to the Russian military position in the Caucasus. The Turks evidently had no intention of evacuating the points they had annexed. The Frontier Commission was doomed to failure, but the approach of winter would give both Great Britain and Russia time to consider what steps should be taken to settle the question in a satisfactory manner; but it was imperative that some solution should be found. He was surprised at the tenacity and obstinacy of the Sublime Porte, and at the *esprit de suite* with which the Ottoman Government were acting. He was sure that they were being backed up by some Power and could rely on that Power—which Power he need not specify. I asked if he had any proof. He said he had no proof, but he felt convinced that such was the case.

I have, &c.
(Signed) A. NICOLSON.

[40424]

No. 351.

Treasury to Foreign Office.—(Received December 9.)

Sir,
I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Mallet's letter of the 21st ultimo further with regard to the proposed increases of Consular guards at Isfahan and Ahwaz.

As regards Isfahan, my Lords note that, as the increase is considered necessary for the protection of the Consulate and Consulate staff, action has been taken to send reinforcements in pursuance of the conditional sanction given by this Board.

As regards Ahwaz, their Lordships are now prepared to accept the modified proposals of Secretary Sir E. Grey, in view of the assurance—which they have received with satisfaction—that the Secretary of State has throughout the present disturbed state of affairs in Persia declined to adopt the policy of sending expeditions inland for the protection of British subjects, and has caused the latter to be warned that in case of danger they must proceed to the coast, and that the present case is exceptional.

They accordingly sanction the charge to Imperial funds of one-half of the expenditure involved by the dispatch of the proposed infantry guard, at a total initial cost of 266*l.* 13*s.* 4*d.*, and by their maintenance at Ahwaz for a period of six months, at the rate of 1,824*l.* per annum.

I am, &c.
(Signed) G. H. MURRAY.

[40466]

No. 352.

Sir N. O'Connor to Sir Edward Grey.—(Received December 9.)

(No. 165.)

(Telegraphic.) P.

Constantinople, December 9, 1907.

TURCO-PERSIAN frontier.

Following telegram received from Mr. Wratishaw, Urumia, No. 31, of the 6th instant:—

"Situation at Urumia unchanged. I have not yet heard of departure of Persian Commission from Tabreez. I have received information that on the 3rd instant six Turkish soldiers, accompanied by some Kurds, have visited several villages in the Baranduz district, a few miles south-east of Urumia, to "collect taxes," and took 7 loads of rice and £ T. 3 from the village of Balaniekeh. Very possibly this is an unofficial depredation."

[40471]

No. 353.

Mr. Marling to Sir Edward Grey.—(Received December 9.)

(No. 368.)

(Telegraphic.) P.

Tehran, December 9, 1907.

PLEASE refer to your telegram No. 190 of the 7th instant.

Establishment of custom-houses on Mckran coast is contemplated by Customs Administration, but in view of probable local opposition armed protection would be required by new posts. The "Persepolis" and "Muzaffer" are reported to be not worth repairing, while the Customs launches recently purchased from India are not large enough for this work. Proposal is to purchase ship to replace "Persepolis," finding the money by sale of ships mentioned in Resident's telegram. It is also desire of Government to substitute for the "Muzaffer" a similar vessel which Governor-General of the Gulf would use.

The scheme is quite in a tentative state, and originated from Customs.

[40517]

No. 354.

India Office to Foreign Office.—(Received December 10.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of inclosures in a letter from the Foreign Secretary to the Government of India, dated the 21st November, relative to the cancellation of the Abu Musa Red Oxide Concession.

India Office. December 9, 1907.

Inclosure 1 in No. 354.

Mr. Marling to Government of India.

(Telegraphic.)

Tehran, November 18, 1907.

ABU MUSA. Please see your telegram of the 17th November.

I have already communicated to the German Minister the facts of the case as reported by Major Cox. I shall inform His Majesty's Government of the incident.

Inclosure 2 in No. 354.

Government of India to Mr. Marling.

(Telegraphic.) P.

Madras, November 17, 1907.

ABU MUSA Island. Your telegram of the 9th November to Bushire asking instructions as to terms of reply to be made to German Minister.

[1549]

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I would suggest reference to His Majesty's Government as to terms of reply to Minister, as action was taken in the matter under orders of Secretary of State, who has been kept informed of situation throughout.

Inclosure 3 in No. 354.

Government of India to Major Cox.

(Telegraphic.) P.

Madras, November 17, 1907.

PLEASE refer to paragraph 4 of Lieutenant Gabriel's letter of the 25th October, stating that he had advised Sheikh to leave force on Abu Musa Island for month or six weeks. Sheikh should be advised, in supersession of previous orders, to keep guard on island until he is informed by you that he can safely remove it.

Inclosure 4 in No. 354.

Major Cox to Government of India.

(Telegraphic.)

Bushire, November 10, 1907.

I HAVE received the following from His Majesty's Minister at Tehran, dated the 9th November :—

"German Minister informs me that Wonekhaus' employes working oxide at Abu Musa have been attacked by Sheikh of Shargah under protection of His Majesty's ship 'Lapwing.'

Please report. I shall be glad to have instructions as to terms of reply suitable for communication to German Minister. We have your correspondence with Government of India till the 24th May, 1907."

Inclosure 5 in No. 354.

Government of India to Major Cox.

(Telegraphic.) P.

Simla, November 13, 1907.

PLEASE see your telegram dated the 10th instant, regarding Abu Musa. You have no doubt dispatched complete copy of correspondence to Minister. It might also be as well to telegraph to him a brief résumé of facts, if you have not done so already.

[40498]

No. 355.

Admiralty to Foreign Office.—(Received December 10.)

(Confidential.)

Sir,

Admiralty, December 9, 1907.

I AM commanded by my Lords Commissioners to the Admiralty to transmit, for the information of the Secretary of State for Foreign Affairs, copy of a telegram, dated to-day, from His Majesty's ship "Highflyer" at Bushire.

A copy has also been sent to the India Office.

I am, &c.
(Signed) C. I. THOMAS.

Inclosure in No. 355.

Captain Hickley to Admiralty.

(Telegraphic.) P.

"Highflyer," at Bushire, December 9, 1907.

I HAVE to report arrival of "Highflyer" and capture of pirates.

[40560]

No. 356.

Mr. Marling to Sir Edward Grey.—(Received December 10.)

(No. 369.)

(Telegraphic.) P.

Tehran, December 10, 1907.

PLEASE refer to your telegram No. 191 of the 7th instant.

I have constantly reminded Persian Government as to payment of interest, but latterly I have rather been pressing them for a reply to our stipulations in regard to suspension of sinking fund.

Minister for Foreign Affairs gives me to understand that Financial Committee of Assembly, who have both questions under consideration, is disposed to object to our first stipulation regarding sinking fund, but rather to its form than to its substance. Pending discussions of Committee, however, he refuses to say anything definite.

I will not relax pressure.

If strongly pressed Persian Government could probably pay interest, though they are in great straits for money.

Except from telegraphs and customs practically no revenue is coming in.

[40466]

No. 357.

Sir Edward Grey to Mr. Marling.

(No. 192.)

(Telegraphic.) P.

Foreign Office, December 10, 1907.

PLEASE see telegram of the 6th instant from His Majesty's Consul at Urumia respecting dispute on Turco-Persian boundary.

The possibilities of a settlement of the dispute are needlessly jeopardized if the arrival of the Persian Commissioner at the frontier is continually delayed.

Please bring this point to notice of Persian Government.

[40652]

No. 358.

Admiralty to Foreign Office.—(Received December 11.)

(Confidential.)

Sir,

Admiralty, December 11, 1907.

I AM commanded by my Lords Commissioners of the Admiralty to transmit, for the information of the Secretary of State for Foreign Affairs, a decypher of a telegram, dated the 10th instant, from the Commander-in-chief, East Indies, respecting the capture of pirates in the Persian Gulf.

Copy has also been sent to the India Office.

I am, &c.
(Signed) C. I. THOMAS.

Inclosure in No. 358.

Commander-in-chief, East Indies, to Admiralty.

Pirates in Persian Gulf.

(Telegraphic.) P.

THE Consul-General at Bushire sent on the 11th December, 1907, the following telegram to His Majesty's Chargé d'Affaires at Tehran, a copy of which was sent to the Commander-in-chief, East Indies (telegram of 10th December), and by him forwarded to the Admiralty, and subsequently by them to the Foreign Office :—

"Have captured piratical dhow[s], and effected the arrest of two brothers; the third brother, also a pirate, has managed to escape. The prisoners have been temporarily placed on His Majesty's ship 'Highflyer,' and the Consul-General has charge of the dhow[s]. It appears that these pirates are Arabs, and subjects in the first instance of the Sheikh of Mohammerah. They do not deny that they have a notorious reputation, but they contend that it was the piracies which they committed seven or eight years ago at the bidding of Sheikh Mubarek against his enemy Yusu

Ibrahim and supporters which had fastened upon their bad name. The Shivo and Koweit piracies, which have been attributed to them, are, of course, denied.

"There is available in the former case the original evidence of a man who then escaped, and we have also further confirmation in the evidence of an uncle of his called Nakhoda, from Dayir. I consider that to give up these prisoners to the Governor of the Gulf ports (although the capture took place in his immediate jurisdiction) would certainly not be safe unless with the proviso that they be executed in our presence forthwith. The Commanding Officer of His Majesty's ship 'Highflyer' agrees with my view that the notoriety of the prisoners as dangerous pirates is so widespread in the Gulf that we have ample justification and grounds for opposing any further postponement or discussion on the matter, and pressing for the immediate execution of the brothers in this town.

"This execution should be carried out publicly, and at the same time the dhow[s] should be burnt in the harbour here while His Majesty's ships remain in the port. The prospects of peace in the waters of the Gulf will be improved, and our prestige will be greatly increased by the news of the capture of the pirates and of such immediate and public punishment. Such news travels fast. I should be glad to receive directions as soon as possible."

[40672]

No. 359.

Sir A. Nicolson to Sir Edward Grey.—(Received December 11.)

(No. 261.)

(Telegraphic.) P.

St. Petersburg, December 11, 1907.

PERSIA.

M. Isvolsky reverted again to dangerous situation at Tabreez, and told me that additional protection was being clamoured for by Russian Consul. It was a puzzle to him what course should be taken—whether he should make a military demonstration on the frontier, or merely dispatch an additional guard of about twenty-five men. Former step might have serious ulterior consequences, whereas latter step might be inadequate and to a certain extent risky. The General Staff and the Minister of War were both against any military demonstration at this season of the year. He was anxious, and he felt he was in a dilemma.

[40661]

No. 360.

Mr. Marling to Sir Edward Grey.—(Received December 11.)

(No. 370.)

(Telegraphic.) P.

Tehran, December 11, 1907.

SHIRAZ situation.

His Majesty's Consul reports several persons killed and heavy firing in town yesterday morning. Manager of Imperial Bank was shot at—deliberately, it appears.

Strong note addressed to Persian Government. I have demanded that persons primarily responsible for disorders should be removed from Shiraz.

[40673]

No. 361.

Mr. Marling to Sir Edward Grey.—(Received December 11.)

(No. 371.)

(Telegraphic.) P.

Tehran, December 11, 1907.

PIRATES. Please see your telegram No. 178 of the 16th ultimo.

Capture of two pirates, who are now on board His Majesty's ship "Highflyer," reported by His Majesty's Consul-General at Bushire. He strongly urges, however, that, except for instant execution, it would be altogether unsafe to deliver up prisoners to Governor of Gulf ports, and asks for instructions as soon as possible.

Following is my reply:—

"I have received your telegram No. 175 of yesterday.

"I informed Persian Government, in pursuance of explicit instructions from the Secretary of State, that pirates would be handed over to Persian authorities if captured. It would hardly do now to make conditions regarding our fulfilment of that undertaking.

Though it might take time, I could exert strong pressure to secure death sentence. Personal opinion of Minister for Foreign Affairs, as expressed to me, is that if proof of murders can be produced, and notoriety of their crimes is as great as you represent, pirates would be executed.

"No objection, in my opinion, to your suggestion to burn dhows.

"I am telegraphing to Foreign Office, but you might keep prisoners in your custody pending expression of Secretary of State's views."

[40674]

No. 362.

Mr. Marling to Sir Edward Grey.—(Received December 11.)

(No. 372.)

(Telegraphic.) P.

Tehran, December 11, 1907.

TURCO-Persian frontier.

I have repeatedly made urgent representations in the sense of your telegram No. 192 of the 10th December. Persian Commissioner, however, who only left Tabreez two days ago, and should reach Urumia to-morrow, has disregarded order sent him by his Government.

Persian Government has just been informed by Turkish Ambassador that Porte wishes Van to be meeting place of Commission, and that Ottoman Commissioners are preparing their departure.

Are we to infer that they desire to prevent any assistance whatever being given by Consuls?

Turkish Ambassador has telegraphed to Constantinople, at the request of Persian Government, strongly urging that Urumia, or some large village in its vicinity, should be meeting place.

Instructions to try to detain Ottoman Commissioners are being sent by Russian Minister and myself to our Consuls.

[40717]

No. 363.

India Office to Foreign Office.—(Received December 12.)

Sir,

India Office, December 11, 1907.

I AM directed by Mr. Secretary Morley to forward, for the information of the Secretary of State for Foreign Affairs, a copy of a note by the Director-in-chief, Indo-European Telegraph Department, reporting the completion of the work of connecting Karachi with Tehran by a land telegraph line.

I am, &c.
(Signed) A. GODLEY.

Inclosure in No. 363.

Note by Director-in-chief, Indo-European Telegraph Department, November 27, 1907.

I HAVE much pleasure in reporting the completion of the work of connecting Karachi with Tehran by a land telegraph line. This connection is 1,574 miles in length, and may be divided into three sections—the first being the Central Persian line of 951 miles, constructed between Tehran and the Indian frontier at Robat; the second being the telegraph wire, 140 miles in length, provided by the Indian Government from the frontier at Robat to Nok Kondi in British Baluchistan; and the third being the line of 483 miles, constructed between Nok Kondi, Panjgur, and Karachi.

The portion of line from Panjgur to Nok Kondi was the last to be constructed, and it was completed on the 4th instant, telegraphic communication being established and brought into operation between Karachi and Tehran on the following day. The reports I have since received show that the line is working admirably between these stations, and is providing a faster service than can be obtained by the old route through the Persian Gulf cables.

[40762]

No. 364.

Mr. Marling to Sir Edward Grey.-- (Received December 12.)

(No. 373.)

(Telegraphic.) P.

Tehran, December 12, 1907.

SUSPENSION of sinking fund and payment of interest on loan.

My telegram No. 369 of the 10th December.

An effort is being made to find money for latter.

The Minister for Foreign Affairs promises a reply in a few days to our conditions as to former.

[40673]

No. 365.

Sir Edward Grey to Mr. Marling.

(No. 194.)

(Telegraphic.) P.

Foreign Office, December 12, 1907.

DAYIR pirates. Please refer to your telegram No. 371 of the 11th December.

You may urge execution of pirates if murder can be proved against them.

[40560]

No. 366.

Foreign Office to India Office.

Sir,

Foreign Office, December 12, 1907.

I AM directed by Secretary Sir E. Grey to transmit to you herewith, to be laid before Mr. Secretary Morley, copy of telegraphic correspondence, as marked in the margin,* which has passed with His Majesty's Chargé d'Affaires at Tehran relative to the non-payment by the Persian Government of the interest due on the British loans of 1903-1904, and to the question of the proposed suspension of the sinking fund for three years.

As Mr. Morley is aware, His Majesty's Government consented in April last to a delay of six months in the payment of the interest due at that time. This period of grace having elapsed at the beginning of October and the arrears of interest still remaining unpaid, although the interest due on the Russian loan has in the meantime been paid, Sir E. Grey considers that the time has come to insist that the Persian Government shall fulfil their obligations.

With regard to the suspension of the sinking fund, Sir E. Grey considers that a threat to demand immediate payment of the amount due in respect of sinking fund might ensure the speedy acceptance by the Persian Government of the conditions attached by His Majesty's Government to their consent, and he would propose to authorize Mr. Marling to adopt this course, should he consider it desirable.

I am to inclose the draft of a telegram which, subject to Mr. Morley's concurrence, he proposes to address to Mr. Marling.†

I am, &c.
(Signed) LOUIS MALLET.

[40812]

No. 367.

India Office to Foreign Office.-- (Received December 13.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 12th December, relative to the question of the dispatch of troops into Persia during serious disturbances.

India Office, December 13, 1907.

* Nos. 346 and 356.

† See No. 412

Inclosure in No. 367.

Government of India to Mr. Morley.

(Telegraphic.) P.

December 12, 1907.

ON receipt of your telegram of the 6th ultimo, as to affairs in Shiraz, we consulted the Political Resident in the Persian Gulf. He has replied to following effect:—

"Advice to British subjects to leave for the coast is, in my opinion, impracticable; it will, moreover, be ignored. Existing requirements would, it appears to me, be met by unobtrusively increasing the present escorts at all inland Consulates to twenty men, and explaining to Consuls, and to such British subjects as choose to remain inland, that, in case of trouble, they must rely solely for safety on these guards, and that, having regard to difficulty of communications, sudden rescue on emergency cannot be expected. Between course above suggested and deliberate intervention on minimum scale I see no practical remedy.

"The latter course would include (1) the location at inland centres, such as Shiraz and Kerman, of Indian troops in sufficient strength to afford protection to British interests and foreigners under all circumstances, until there was permanent assurance of security of life and trade; and (2) the policing of the routes between the Consulates and the coast.

"Action at the ports in the Gulf would secure the tractability of the Persian Government during the execution of the first measure; and, as regards the attitude of the peasantry, I feel confident, personally, that the location of a force of four companies of native troops, with two machine-guns, their own transport, and a complement of British officers, in each centre where we have a Consulate, would ensure the security of Europeans, and would overcome any opposition which might be met with on the way to their destinations. It would be convenient that the parties should include a proportion of men trained as mounted infantry. As regards the policing of trade routes, arrangements on the lines already suggested by Consul at Shiraz, or a modification thereof, would be inaugurated separately, but simultaneously."

In accordance with your instructions, action is being taken separately for the temporary increase of guards at certain Consulates. We adhere to opinion expressed in our telegram of the 17th January last, that it is most undesirable during serious disturbances to send small parties of troops into the interior of Persia. In the event of military action becoming necessary, the force dispatched should be sufficient for effective action, without involving the risk of difficulties or regrettable incidents. The military authorities have prepared a scheme for the dispatch of such a force; and, should need arise, suitable columns could be sent into the interior, of strength sufficient to maintain their communications with the coast and secure order.

Apart from opinions expressed above, there seems to us no reason why the views referred to in the final paragraph of your telegram of the 6th ultimo should be modified.

[42045]

No. 368.

Memorandum on the Red Oxide Concession on the Island of Abu Musa.

THE Sheikh of Shargah is one of the Trucial Chiefs who are under the protection of His Majesty's Government.

Treaty relations have long subsisted between these Chiefs, who inhabit the so-called Pirate Coast on the Arabian littoral of the Persian Gulf, and Great Britain.

Former Treaties were confirmed by that concluded in March 1892, and ratified by Lord Lansdowne as Viceroy of India, which stipulates that the Sheikh shall on no account (1) enter into any agreement or correspondence with any Power other than the British Government; (2) consent, without the permission of the British Government, to the residence within his territory of the Agent of any other Government; and (3) cede, sell, mortgage, or otherwise give for occupation any part of his territory, save to the British Government.

This Treaty was published for general information.

In the summer of 1898 the Sheikh of Shargah went on a pilgrimage to Mecca, and during his absence his uncle, who was acting as Regent, granted a lease of the red oxide mines on Abu Musa to three persons, viz., a naturalized British-Indian

Treaty of
March
1892.

subject, his son, and the son of the British Residency Agent at Shargah. The Concession was expressly granted "for such a period as they might wish to hold the mines, provided they paid 250 dollars per annum," and included landing rights if it should prove desirable to engage in oyster fisheries.

On the Sheikh of Shargah's return from Mecca he evidently claimed to become a partner in the concern, and was admitted as such by the others; but a few months later he transferred his interest in it to one Yusuf bin Abdullah, who, again, was eventually bought out by Hassan Samaiyeh in December 1900.

India Office,
April 18,
1905.

In the beginning of 1905 it was found necessary for the Resident in the Persian Gulf to ask the Residency Agent on the Arab Coast to warn the Chief of Shargah and his uncle, Sheikh Salem, against entering into any ill-considered agreement with Messrs. Wonckhaus for leasing the red oxide mines on Abu Musa. The two Sheikhs assured the Agent that they would do nothing without the knowledge of the British Resident.

Letter of
November
29, 1906,
from Major
Cox, British
Resident,
Persian
Gulf, to
Govern-
ment of
India.

Messrs. Wonckhaus, who, it may be stated parenthetically, are the agents in the Persian Gulf of the Hamburg-American Line, finding themselves debarred from securing a direct Concession from the Chief of Shargah, then had recourse to devious methods.

On the 1st June, 1906, an Agreement was executed at Lingah, by which Hassan Samaiyeh, the British-Indian subject above referred to, claiming to act for his two partners, gave to Mr. Robert Wonckhaus a specific monopoly of the output for four years, with a preferential option to renew at the end of that period. The terms of the transfer were such as to afford a considerable margin of profit on the original Concession.

The action of Hassan Samaiyeh was illegal because he did not hold a power of attorney from both his junior partners, and was guilty of fraudulent dealing in claiming to act for them both.

Letter of
February
28, 1907,
from Major
Cox, British
Resident in
the Persian
Gulf, to the
Govern-
ment of
India.

On learning that a contract had been concluded between Hassan Samaiyeh and Messrs. Wonckhaus, the junior partner of the three original concessionnaires lodged a protest with the Sheikh of Shargah, petitioning that the contract with Mr. Wonckhaus might be annulled.

Accordingly, in a letter dated the 21st February, 1907, the Sheikh of Shargah informed Hassan Samaiyeh of this complaint; he added that he had no right to grant such a monopoly to third parties without making any reference to the territorial Ruler; that such conduct was a violation of duty; and that the continuance of the Concession in Hassan's hands was undesirable, and that the original contract had therefore been terminated.

In reporting his action to Major Cox, the Sheikh said he was apprehensive of the results of the transfer, and had accordingly cancelled the original Concession. He further requested that the Resident would consult the Imperial Government and request their views as to the best means of assuring to him in future the full benefits from the red oxide mines within his territory.

Govern-
ment of
India's
despatch,
June 27,
1907.

On the 21st May, 1907, the British Resident reported that the Sheikh had taken active steps to prevent further mining operations, and that Messrs. Strick, the British lessees of the Hormuz red oxide mines, seemed inclined to commence negotiations with a view to the purchase of Abu Musa oxide. The Government of India considered, however, that it was undesirable that the rights of which Mr. Wonckhaus had been dispossessed should simultaneously be transferred to Messrs. Strick, as such an arrangement might create a false impression that the Sheikh's action had been inspired with a view to benefit the British firm.

The Government of India were actuated, as appears from a letter addressed to the British Resident on the 11th February, 1907, by the knowledge that Abu Musa would form a convenient coaling station in the Persian Gulf, and that it was undesirable to allow the Germans to acquire vested interests, more especially in the form of a monopoly.

Mr. Morley
to Lord
Minto,
August 23,
1907.

His Majesty's Government concurred in the views of the Government of India that the Sheikh should not be allowed to grant any monopoly in future, and that he should be advised to submit to the British Resident the draft of any new contract into which he might propose to enter.

India Office,
August 26,
1907.

On the 21st August Messrs. Strick were requested, in view of local circumstances, to postpone, at any rate till the end of 1907, action on any agreement which might be arrived at with the Sheikh in the matter.

On the 28th August the Government of India telegraphed that Hassan Samaiyeh, acting as local manager for Mr. Wonckhaus, had reinforced his miners and refused

to stop mining operations, and that the Sheikh of Shargah considered force would be necessary to oust him from the island. In these circumstances the Sheikh asked that the Government of India would themselves eject the culprit, being a British subject, or else advise what action should be taken.

On the 10th October, a formal notice from the Sheikh of Shargah was handed to Hassan Samaiyeh, calling upon him to cease forthwith from his mining operations, and to remove himself, and his workmen, machinery, and all instruments from the Island of Abu Musa within ten days. This notice was accompanied by a verbal communication from the British Resident's representative, to the effect that if he failed to comply with the Sheikh's demands, the Sheikh would have the approval of His Majesty's Government in ejecting him, and would be supported in such forcible action as might be required.

India Office,
October 22,
1907.

India Office,
November
26, 1907.

The Sheikh showed some hesitation at the eleventh hour, owing to a letter which he had received from Mr. Wonckhaus advising him to withdraw his notice to quit, and to abstain from all further interference with the oxide mines and Concession, which had been pledged as security for loans made by Mr. Wonckhaus to Hassan Samaiyeh. The Sheikh appeared apprehensive as to the possible intervention of the German Government.

Lieutenant Gabriel, His Majesty's Vice-Consul at Bunder Abbas, appears to have acted with considerable address in overcoming the Sheikh's misgivings, and on the 20th October His Majesty's ship "Lapwing" sailed for Abu Musa, towing four bungalows containing a force of the Sheikh's armed retainers. The officer in command of this force was warned against the use of unnecessary violence.

The armed party landed at different points on the island and surrounded the camp. The concessionnaire's representative and workmen were cowed and consented at once to leave, which they did, together with their effects, on the 22nd October.

On the same day, Mr. Brown, the agent of Mr. Wonckhaus, sailed for Abu Musa, accompanied by twenty-six men; but on the 25th October the party returned to Lingah, having been refused permission to land by the Sheikh's guard, who behaved with resolution. Mr. Brown then announced his intention of going to Bushire in order to represent his case to the German Government.

India Office,
November
4, 1907.

It was decided by the Government of India to favour Mr. Wonckhaus to the extent of allowing them, if they were so disposed, to remove the oxide lying on the beach, which was estimated to amount to some 500 tons.

India Office,
November
19, 1907.

The Government of India issued instructions on the 17th November that the Sheikh of Shargah should be advised to keep a guard on the island until he had been informed by the Resident that he could safely remove it.

India Office,
December
9, 1907.

On the 18th November His Majesty's Chargé d'Affaires at Tehran telegraphed to the Viceroy of India, stating that he had already communicated to the German Minister the facts of the case as reported by the British Resident.

The ownership of the Islands of Tamb and Abu Musa was a few years ago claimed by Persia. A separate Memorandum on this subject is in course of preparation, and it suffices to state here that the rival claim of the Sheikh of Shargah was vigorously and effectively asserted by His Majesty's Government.

This aspect of the question has only an indirect bearing on the present controversy, since Mr. Wonckhaus bases his claim, however inconclusively, upon a Concession originally granted by the Sheikh of Shargah to a British subject.

Foreign Office, December 13, 1907.

(Signed) ALWYN PARKER.

APPENDIX.

No. 1.

Memorandum regarding antecedents and nationality of Hassan-bin-Ali Samaiyeh of Lingah.

ACCORDING to a report from the Residency Agent at Lingah, who is well acquainted with the history of the family, Ali-bin-Hamad-bin-Samaiyeh was a native of Bahrein and emigrated to Lingah 60 years ago, during the Arab occupation, accompanied by his two sons Hassan and Hamad, together with many other Bahreinis.

[1519]

The father and sons worked for many years as Nakhodas on board sailing vessels to Indian and other ports, and for thirty years were treated like other emigrants by the Governors of Lingah, that is, as subjects of the local Sheikh.

The father Ali died in Lingah, and Hassan afterwards obtained a certificate of British naturalisation from the Government of Bombay. In virtue of that certificate he has been considered as under British protection by the Persian authorities, and has been given the protection of the Agency.

His brother Hamad, however, is considered a Persian subject and is only protected by the British Agency in matters in which Hassan and he are jointly concerned.

At the beginning of March 1899, when the Derya Begi retook Lingah after some fighting with the Arab Sheikh, Mahomed-bin-Khalifah, a number of claims resulted from British subjects, among which was one from Hassan-bin-Ali Samaiyeh who, in his petition wrote, "thank God, I am under the protection of the British Government and she will not allow her subjects to be oppressed." His title to protection was in both cases tacitly accepted by the local authority and action taken in pursuance of that title.

A claim in his name is included among a number of others, preferred by British subjects after the recapture of Lingah, in the list of cases submitted to His Majesty's Legation in August 1905, as outstanding against the Persian Government.

P. Z. COX, Major,
Political Resident in the Persian Gulf.

BUSHIRE;
The 29th November 1906.

No. 2.

Translation of the original Agreement.

BE it known to all who may see this that I, Salem-bin-Sultan-bin-Sugger Kasemi, let on lease all the red oxide mines situated on the Bu Musa Island to Haji Hassan-bin-Ali Samaiyeh, Abdulla-bin-Hasan and Esa-bin-Abdul Latif, from the present date for such a period as they may wish to hold the mines provided that they should pay me 250 French dollars per annum. I have likewise arranged with them that if they wished to land "Muhar" and "Zenni" oysters in the island for commercial purposes, they should pay me landing fee at the rate of 100 dollars per mensem. I have also given them permission to dig wells to supply water to their men who are working on the red oxide mines, and I will pay considerations and respects to their men who are working on the mines.

I have perhaps made out certain agreements previous to this. They do not hold good, and this agreement is to be acted upon.

Written in duplicate on the 18th Zilkedah 1315 = 10th April 1898.

SALEM-BIN-SULTAN.

No. 3.

THE object of writing this documentary agreement is that we, the persons mentioned in this agreement, have admitted Sheikh Suggar bin Khaled as a partner in the Concession of the lease of red oxide mines at Abu Musa Island which we have leased from Sheikh Salem bin Sultan at 250 dollars per annum *plus* 100 dollars on account of ground rent for landing Muhar and Zenni oysters, should we land any at Abu Musa Island for trade purposes. And similarly Sheikh Suggar has agreed to assist us and to endeavour with us, as far as possible, to avoid any delay in the work connected with the red oxide mines in the said island. And whatever the expenses in regard to the red oxide mine may come to it shall be borne by all the partners and the net income shall be distributed amongst all.

This agreement has been concluded on the above conditions, with the consent of all; so that it may not be hidden.

1st Rabi II 1316 (20th August 1898).

and Sheikh Suggar has the option to withdraw from the said Red-oxide Company if he so desire.

(Signed and sealed)

ISA BIN ABDUL LATIF.
ABDULLAH BIN HASSAN SAMAIYEH.
HASSAN BIN ALI BIN SAMAIYEH.

Witness—

(Signed and sealed)

ABDUL LATIF BIN ABDUL RAHMAN.

No. 4.

LET him who reads this document know, that with reference to this Red-oxide Company which I joined, I have, by virtue of this document, transferred my share to Yusuf bin Abdullah, and it is vested in him and he has the disposal of it.

I have no further concern in the result whether it be profit or loss; whichever it be it is for him.

I undertake to assist him to the best of my power should he experience difficulty.

Let it be known accordingly.

(Signed) SUGGAR BIN KHALED.

7th Ramzan 1316 (20th January 1899).

No. 5.

YES, I, Yusuf bin Abdullah, have sold to Haji Hassan bin Ali Samaiyeh outright and completely the share in the red oxide mine mentioned in this paper, which I have acquired from Sheikh Suggar bin Khaled. The aforesaid share is now transferred to Haji Hassan bin Ali Samaiyeh, and there is left for me no claim or right therein. And I have received the sum of 100 dollars from Haji Hassan on account of the value of the share.

Let it not be hidden.

15th Shaban 1318 (7th December 1900).

(Signed and sealed) YUSUF BIN ABDULLAH.

Witnessed—

(Signed and sealed)

ABDUL LATIF BIN ABDUL RAHMAN.

True copy according to the original.

(Signed) HASSAN BIN ALI SAMAIYEH.
(") BADR BIN MAHOMED AMIN.

No. 6.

Contract between Mr. HASSAN C. SEMEY, Lingah, owner and holder of Bu Musa Concession, and Mr. ROBERT WONEKHAUS, Lingah.

HASSAN C. SEMEY agrees to deliver to Mr. Robert Wonekhaus, Lingah, during 4 years (four years) beginning with 1st June 1906, every year 2,000 to 5,000 tons of 20 cwts. oxide of iron of the Island Bu Musa, same quality as the 700 tons shipped by Mr. Robert Wonekhaus in March 1906. Mr. Robert Wonekhaus agrees to take at least every year 2,000 tons, and if he wants so and there is sufficient good stuff on the island of which he approves up to 5,000 tons yearly.

The price is fixed at 15s. 6d. (fifteen shillings and six pence) per ton of 20 cwts., usual weight conditions, freight and charge free on board steamer *Bu Musa* to be weighed on board.

Hassan C. Semey gives the entire monopoly of Bu Musa oxide to Robert Wonckhaus during the terms of the contract; he is not allowed to sell or dispose of otherwise any quantity of Bu Musa during the term of this contract, but it is agreed upon that Hassan is permitted to export to India for his account during this year what he has sold already to India, and which he gives as 700 tons (seven hundred) and besides that every year from 1907 about 5—6,000 bags of 1 cwt. (four thousand to five thousand).

Hassan Semey has to deliver daily alongside if in bags 200 tons or in bulk 150 tons, weather permitting. Payment for every lot which is to be shipped half the amount, when the lot is ordered, and the other half, when the lot is being shipped.

Advance to be paid by Mr. Robert Wonckhaus to Hassan Rs. 2,000 (two thousand) whenever Hassan calls for it and receipt to be taken for it. This advance to remain with Hassan until the end of this contract.

Whenever this contract comes to an end, Mr. Robert Wonckhaus has the preference for a new contract of Bu Musa Contract if he desires so, at same price and conditions or at any rate at the price of other serious buyer. Alone the English text of this contract will hold good.

Lingah, the 1st June 1906.

ROBERT WONCKHAUS.
W. E. KIRKPATRICK.

Seal.

HASSAN-BIN-ALI SAMAIYEH
and his partners.

Copied by—
SHEIKH HOOSAIN,
Sub-Postmaster, Lingah.
(Sd.) SHEIKH HOOSAIN,
Sub-Postmaster.

NOTE.—The Residency Agent, Lingah, states that the document was in the handwriting of Mr. Carstein, the representative of Herr Wonckhaus at Lingah, whose knowledge of English is crude.

No. 7.

Purport of a letter from ESA BIN ABDUL LATIF to SHEIKH SAGAR BIN KHALID, Chief of Shargah, dated 8th Moharrum 1325 (20th February 1907).

After compliments.—I have to communicate with your honour with reference to the lease which I and two partners acquired from the Government of Shargah relating to the extraction of red oxide from your island of Abu Musa. As your honour is aware the document of lease was drawn up in the names of three persons namely your humble servant Esa bin Abdul Latif, Haji Hassan bin Ali Samaiyeh and Abdulla bin Hassan Samaiyeh.

I have come to know that on 1st June 1906 (8th Rabi-ul-Thani 1324) the said Haji Hassan entered a contract with a European merchant named Wonckhaus, without consulting me, and that according to the terms of the document he bound himself and his partners in giving an absolute monopoly for the extraction of the red oxide for a period of four years. And the said Haji Hassan executed this agreement and bound himself without consulting me previous to the drawing of the deed of contract. The details of the said deed have only now reached me, and I do not agree to the terms of this contract. Accordingly I forward to your honour a copy of the deed of contract for you to examine; kindly look into it. I beg from your honour assistance in taking the necessary steps for the cancellation and annulment of this contract, for I am altogether unwilling to agree to this lease. Previous to this I have written to Haji Hassan Samaiyeh expressing my disagreement to this contract, but he has sent me no answer.

Finally I am obliged to call your attention to the deed of contract in the beginning of which begins as follows: "Contract between Haji Hassan bin Ali

Samaiyeh of Lingah owner and holder of the Abu Musa Concession, and Mr. Robert Wonckhaus of Lingah." Now Haji Hassan Samaiyeh has no deed of authority from me giving him any general power in regard to action which he might take respecting the lease, etc.; how then has Haji Hassan the right thus to mention himself only without consulting or referring to his partners of whom I am one. I am in consequence obliged to make a complaint on the subject to your honour, and it is for your honour to issue orders.

No. 8.

Translation of a letter dated 9th Moharrum 1325 (21st February 1907) from SHEIKH SAGAR BIN KHALID, Sheikh of Shargah, to HAJI HASSAN BIN ALI SAMAIYEH.

After compliments.—I have to inform you that Esa bin Abdul Latif has preferred a complaint to me in connection with the red oxide mines on Abu Musa, which for some years have been leased in the names of yourself and Esa bin Abdul Latif and your son Abdulla, according to the deed executed on 18th Zilkaideh 1315 (21st April 1899). He has sent me a copy of the deed of contract in operation between you and Mr. Wonckhaus and complains that you executed this contract without consulting him and that he does not agree to the conditions written in the contract now that he has come to know them. I too do not agree to this contract at all, and as for you, you had no right to give a contract in this fashion and bind yourself to give away possession of the whole of the output of red oxide mines to others, for a long period and without consulting us or making the slightest reference to us. And according to our view harm will accrue to us from the continuance of this concession in your hands in connection with Abu Musa; and your conduct in the present case is a violation of your duty towards us.

Accordingly it appears to us advisable to withdraw the document of concession from you, and we now inform you accordingly by this letter, so that you may realise that the contract between us has terminated. You have no longer any right of enjoyment in regard to the mines of Abu Musa.

Seal of SHEIKH SAGAR BIN KHALID.

No. 9.

Translation of a letter dated the 9th Moharrum 1325 (21st February 1907) from SHEIKH SAGAR BIN KHALID, Chief of Shargah, to MAJOR P. Z. Cox, C.I.E., Political Resident in the Persian Gulf.

After compliments.—I am obliged to address your honour in the following connection. On 18th of the month of Zilkaideh 1315 (10th April 1898) a contract was concluded between us and three persons namely Hassan bin Ali Samaiyeh and Abdulla bin Hassan and Esa bin Abdul Latif, for the lease of the red oxide mines in our Island of Abu Musa, and the basis of the contract was a yearly one; they were to pay us a sum of 250 dollars annually.

Up to now we have not experienced anything prejudicial from them and have been taking from them every year the amount of the rent; and the parties mentioned have themselves been dealing with the work.

But as it appears a short time ago something took place which we consider to be harmful to us; and enclosed in this letter we send your honour a copy of the letter which has reached us from Esa bin Abdul Latif, who is one of the partners, the purport of which is that he complains of the action taken by Haji Hassan Samaiyeh and sends us a translation of a deed of contract wrongfully passed by Haji Hassan Samaiyeh to the merchant named Wonckhaus. We are apprehensive of the results of such a contract and do not agree to it, and for this reason we have decided upon the withdrawal of our document (of concession) from the said lessees and its annulment.

And whereas Haji Hassan Samaiyeh is a subject of the British Government we

[1519]

forward to your honour a copy of the letter which we have written to the said Haji Hassan for your information.

In conclusion we beg you to consult the Imperial Government and request their views as to the best means of assuring to us in future the full benefits from the red oxide mines within our territory. (We will act) according to your view.

[40859]

No. 369.

Mr. Marling to Sir Edward Grey.—(Received December 13.)

(No. 374.)

(Telegraphic.) P.

Tehran, December 13, 1907.

PLEASE refer to your telegram No. 194 of yesterday.

As pirates are subjects of Sheikh of Mohammerah, His Majesty's Consul-General at Bushire suggests their being handed over to him. Our promises to Persian Government would thus be fulfilled, and Major Cox appears confident that Sheikh, especially in view of his friendship with Sheikh Mubarak of Koweit, to whom punishment of pirates is of deep interest, will do stern justice.

His Majesty's Consul-General further apprehends that, if pirates are handed over in Bushire, proceedings may be protracted, and dangerous results ensue to witnesses and to those who assisted in capture.

I have told Major Cox he may act as suggested, and am informing Persian Government accordingly.

[40859]

No. 370.

Sir Edward Grey to Mr. Marling.

(No. 195.)

(Telegraphic.) P.

Foreign Office, December 13, 1907.

I APPROVE the action taken by you in respect to the capture of the Dayir pirates, as mentioned in your telegram No. 371 of the 13th instant.

If found guilty of murder, the execution of the pirates should follow. In all cases of this sort, however, that they be not subjected to barbarous treatment or torture should be stipulated before their surrender to the native Persian authorities.

[40931]

No. 371.

Sir A. Nicolson to Sir Edward Grey.—(Received December 14.)

(No. 608.)

Sir,

St. Petersburg, December 11, 1907.

I HAVE the honour to transmit herewith a translation by Captain Smith, Translator to this Embassy, of an article which appeared in the "Novoe Vremya" of yesterday on the subject of the Turco-Persian frontier dispute.

I have, &c.

(Signed) A. NICOLSON.

Inclosure in No. 371.

Extract from the "Novoe Vremya" of November 27 (December 10), 1907.

THE PERSO-TURKISH COMPLICATION.—The internal crisis through which Persia is passing has been complicated beyond measure by frontier misunderstandings with her neighbour Turkey.

In the middle of the present year a Turkish division, composed of regular infantry, Kurdish cavalry, and six guns, invaded Persian territory in the vicinity of Tergever. The Christian inhabitants of the village of Mevane joined battle with the Turks, with sorrowful results for the former. The Ottoman artillery bombarded the Settlement and destroyed two churches. Amongst the defenders of the village, there fell eighteen men and sixty women and children. Simultaneously with this, a Turkish battalion of infantry appeared at Mengever, where a Persian column was encamped. The demand of the Turks that the Persians should evacuate the position

occupied by them was met with a refusal by the latter, whereupon the Kurds opened fire, and the Persians hurriedly retired, leaving their camp, a considerable quantity of provisions and military supplies, and all their artillery. In this manner, without any apparent reason, the Ottoman troops advanced on to Persian territory, seized part of it, and fortified themselves on it.

Protests of the Persian authorities led to no result. The Ottoman Government denied the very fact of the raid by their troops into Persian territory, affirming that it was not the Turks who had burst upon the Persians, but the reverse; that a Persian division had crossed the Turkish frontier, for which it had received a merited reward.

To the equivocations of diplomatists, the Ottoman troops continued their advance into Persia, destroying villages, killing their inhabitants, appropriating women and boys, inciting the nomadic Kurds to rebellion and the plundering of the Shiah portion of the Persian population. Experiencing no resistance, the Turks already in October had occupied the country from Northern Boredost up to the southern limits of Serdesht. They expelled the Persian Administration within the territory occupied by them, and replaced them with their own Kaimakams. Without mentioning the word "war," the Turks have practically conquered a considerable slice of Persian territory, and are acting within it as if in their own country. The results of such behaviour are being reflected not only on Persia herself, but on the neighbouring countries, and the equanimity with which all survey these acts of lawlessness is scarcely expedient.

Persia, ruined and disorganized by a régime long since not in accordance with the requirements of modern State life, with an empty treasury, without proper administrative and judicial organization, without any appreciable European education of the public class, without an army or military leaders, cannot hope to offer the requisite resistance to foreign invasion. The masses are ready to interpret the compulsory inaction of the Persian authorities as deliberate betrayals of the interests of their country.

Through the bazaars rumours are even circulating that the incursion by the Turks was carried out with the approval of the Shah himself. All news from the Turco-Persian frontier is painfully recalled in the heart of the country, giving fresh food to the frightened imagination of the inhabitants.

Simultaneously with this, some clever hand is sowing the seeds of irritation against Russia. The recent Anglo-Russian Agreement is explained as the first step towards the partition of Persia. The absence of visible intervention on behalf of Persia on the part of Russia and England strengthens this idea.

The inviolability of Persian territory is guaranteed by the Anglo-Russian Agreement of 1834, confirmed subsequently several times. The delimitation map of the provinces now seized by the Turks was confirmed by Russia and England in 1870, without any dispute on the part of Turkey. Thus the attempt of the Ottoman Government to connect the question respecting the seizure of the Persian frontier provinces with the dispute respecting the Turco-Persian frontier is deprived of any legal significance. And once Persia is herself powerless to re-establish her violated rights, she cannot but expect the co-operation and assistance of the Powers interested in the integrity and inviolability of her boundaries.

The idea of the drama now being performed on the Persian frontier is evident. It is a repetition of those same tactics which are now giving such bloody fruits in Morocco. Turkey has become a vassal of Germany, and the policy of the Porte is actuated by inspirations from Berlin. Germany seeks an outlet towards the Persian Gulf, and the consolidation of her influence in Asia Minor and adjoining Iran. It is necessary for her to do away with the influence established there by Russia and England, and the incursion into Persia by Germany's vassal cannot but undermine our prestige in Tehran—and not only ours, but England's.

The Bagdad Railway is like a steel feeler, thrust by Germany into the body of Western Asia. To guarantee the centre portion of this route it is necessary to abolish the influence of other European Powers in this region—the Perso-Turkish trouble begins, calculated to show the impotence of England and Russia and the might of a third Power, by one wave of whose hand the Ottoman troops will immediately evacuate Persian territory as soon as this Power receives in Tehran the concessions needful to her.

The vital interests of Russia and England demand the adjustment of the Perso-Turkish conflict by peaceful but decisive measures. Delay in a successful and just conclusion of the conflict gives food for further revolutionary unrest in the neighbouring and friendly country—an unrest the results of which are already unfavourably reflecting on our trade with Persia. The political results of the

Turkish appropriation may make themselves felt in the future by still greater difficulties.

Decisive and joint representations by England and Russia to the Ottoman Government should be able without delay to lower the curtain on this comedy, in which the actors, in the sweat of their brow, are working gratuitously "pour le Roi de Prusse."

[40989]

No. 372.

Admiralty to Foreign Office.—(Received December 14.)

(Confidential.)

Sir,

Admiralty, December 14, 1907.

I AM commanded by my Lords Commissioners of the Admiralty to transmit, for the information of the Secretary of State for Foreign Affairs, copy of a telegram, dated the 13th instant, from the Commander-in-chief, East Indies, and I am to inquire what answer should be returned to the Commander-in-chief.

I am, &c.
(Signed) C. I. THOMAS.

Inclosure in No. 372.

Commander-in-chief, East Indies, to Admiralty.

(Telegraphic.) P.

Bombay, December 13, 1907.

THE Consul-General at Bushire has telegraphed as follows:—

"It has been clearly demonstrated by inquiry into the previous record of the pirates that, since they were expelled from Mohammerah territory and afterwards from Koweit, they have been under the protection of Jamal Khan, Chief of Dashti, and of his lieutenants and relations at the port of Deiyer, and have thus been able to pursue their occupation with impunity and live in security.

"Unless this family is punished the matter will not be concluded. The Captain of the 'Highflyer' is of opinion that the Muchan castle of the Khan at Deiyir could certainly be destroyed by one of His Majesty's ships firing at sufficiently close range to avoid danger of injuring inoffensive villagers, who should receive timely warning of the firing. The same action could probably be taken with the Khan's castle at Kangoon. I would suggest that an ultimatum be sent to Jamal Khan, who is now visiting one of his ports on the coast, demanding payment of 15,000 rupees, to be paid through the British Resident and to be distributed among those families who are known to have suffered loss in the piracies either of relatives or of merchandize. Failing compliance with this demand, Jamal Khan to be informed that his castles will be demolished forthwith in the manner suggested above. If possible the concurrence of the Persian Government should be obtained before taking this step, but, if necessary, action could be taken without their consent."

The British Resident is thoroughly reliable, and is the only person who can possibly understand the state of affairs and appreciate the effect throughout the Persian Gulf which such action would have, and I strongly recommend the adoption of the measures proposed by him.

[40984]

No. 373.

Mr. Marling to Sir Edward Grey.—(Received December 14.)

(No. 375.)

(Telegraphic.) P.

Tehran, December 14, 1907.

PRIME MINISTER raised no sort of objection on being told by me that captured pirates would be handed over to Sheikh of Mohammerah.

Reference is to my telegram No. 374 of the 13th instant.

[40954]

No. 374.

Mr. Marling to Sir Edward Grey.—(Received December 14.)

(No. 376.)

(Telegraphic.) P.

Tehran, December 14, 1907.

THE Persian Commissioner has reached Urmi.

Baneh is reported to the Persian Government as having been occupied by Turkish troops (see my telegram No. 357 of the 26th ultimo), and the Persian Government is also informed that Soujboulak, whose Governor has fled, is being threatened by Persian Sunni tribes.

The Persian Government is trying to send troops.

[40985]

No. 375.

Mr. Marling to Sir Edward Grey.—(Received December 14.)

(No. 377.)

(Telegraphic.) P.

Tehran, December 14, 1907.

SITUATION in Persia.

The Governor of Tabreez has left for Soujboulak, really out of fear of the revolutionaries, who are, he admits, masters of the town, although his departure is nominally in consequence of the events reported in my telegram No. 376 of the 14th instant.

With reference to Sir A. Nicolson's telegram No. 261 to the Foreign Office of the 11th instant, I am informed by the Russian Minister that a small force will be brought to the frontier, and that the guard of the Russian Consulate-General at Tabreez will be increased by twenty Cossacks.

[41012]

No. 376.

Mr. Marling to Sir Edward Grey.—(Received December 14.)

(No. 378.)

(Telegraphic.) P.

Tehran, December 14, 1907.

MAJOR COX thinks that the proceedings against the pirates (see my telegram No. 375 of the 14th instant) will not be complete unless the strongholds of the Chief of Dashti at Deyyir and Kangoon are destroyed. He now recommends that His Majesty's ships should do this—if possible, with the assent of the Persian Government; but, if necessary, without it.

Shall I approach the Persian Government? I might suggest that a Persian official could be present on board His Majesty's ship, if the "Persepolis" is unseaworthy and unable to accompany our ship as Cox suggests.

[41013]

No. 377.

Mr. Marling to Sir Edward Grey.—(Received December 14.)

(No. 379.)

(Telegraphic.) P.

Tehran, December 14, 1907.

RED oxide at Abu Musa.

On the 6th November the German Minister informed me of Wöneckhaus' complaint of Sheikh's action in cancelling Concession, and I gave him a Memorandum explaining facts, and pointing out (see printed inclosures in your despatch No. 134 of the 7th August) that Wöneckhaus' contract was invalid. On the 18th ultimo he informed me that he was awaiting a report from the German Consul at Bushire. No further communication from the German Legation has since been made to me.

The German Consul has, however, sent his dragoman to the Sheikh of Shargah, with a letter threatening to claim heavy indemnity on behalf of Wöneckhaus, and refusing to recognize the cancellation of the Concession.

I am sending full report by next messenger. This move seems to be an ill-chosen attempt to dispute our position in the Persian Gulf.

[1549]

I have requested Cox to tell the Sheikh to pay no attention to the German Consul's letter.

May I inform the German Chargé d'Affaires that, by the Protectorate Treaty of 1892, the Sheikh is precluded from entering into correspondence with any Government but the British, and request him to instruct his Consul accordingly?

[41014]

No. 378.

Mr. Marling to Sir Edward Grey.—(Received December 15.)

(No. 380.)

(Telegraphic.) P.

Tehran, December 15, 1907.

AN anonymous letter stating that the Shah has pledged the Crown jewels to the Russian Bank has reached me. It is possibly from an employé in the Russian Bank.

Disorders are threatening here. Violent speeches, denouncing the Shah as having sold himself to Russia and demanding the exile of the Shah's Chief Adviser and Agent, Saad-ed-Dowleh and Amir Bahadur Jang, were made yesterday at a popular meeting at the principal mosque.

The Ministry has resigned, but the Shah refuses to accept resignation. His Majesty seems likely to make a stand. This morning an excited crowd gathered outside the Assembly, but was dispersed by armed men sent by the Shah. The Russian Colonel refused to send Cossacks to maintain order when requested by Assembly.

I shall do my best to keep people from taking refuge in the Legation.

[41015]

No. 379.

Mr. Marling to Sir Edward Grey.—(Received December 15.)

(No. 381.)

(Telegraphic.) P.

Tehran, December 15, 1907.

PLEASE refer to Reuter's telegram stating that Turks, on pretext of a similar movement on Persian side, are concentrating troops on frontier.

As reported in my telegram No. 376 of yesterday, the Persian Government are endeavouring to send to Soujboulak two regiments with two guns; pretext is therefore absurd.

[41016]

No. 380.

Mr. Marling to Sir Edward Grey.—(Received December 15.)

(No. 382.)

(Telegraphic.) P.

Tehran, December 15, 1907.

ALA-ED-DOWLEH, who was sent to the Palace by the Assembly with a message, and another brother of President of Assembly were arrested by the Shah at 3 o'clock this afternoon. Shah sent for Prime Minister at 5 P.M., put chains on him, and threatened to kill him five hours after sunset.

In view of fact that Nasr-ul-Mulk has always been a firm friend of England, I have sent to demand assurances for his safety from the Palace, and am requesting co-operation of Russian Minister.

I propose to go myself if I do not get them.

There is no doubt that Shah has reason to count on support of Russia.

Everything points to there being serious trouble during the night.

Dispatched at 7 P.M.

[41225]

No. 381.

Sir A. Nicolson to Sir Edward Grey.—(Received December 16.)

(No. 265.)

(Telegraphic.) P.

St. Petersburg, December 16, 1907.

PERSIA Referring to your telegram No. 349 of to-day.

Instructions will be sent to M. de Hartwig by M. Isvolsky to act in concert with His Britannic Majesty's Chargé d'Affaires in any steps which it may be considered

desirable by the two Representatives to take with the view of preventing disorders if possible. M. Isvolsky thought that as much liberty of action as possible should be left to the Representatives at Tehran.

According to news which Ministry for Foreign Affairs has received from Tehran, Prime Minister has been released, and resignation tendered by Ministry has been accepted. A local Committee has demanded at a meeting that certain personages in Shah's *entourage* who are displeasing to Assembly should be banished by His Majesty, and that Shah refused to do this on ground that security to individuals was guaranteed by Constitution; that Ministry, having been called upon by Shah to maintain order, had expressed inability to do so; that Shah had sympathies of many in town, and that Zil-es-Sultan, who was assisting at a sitting of Assembly, was rumoured to aspire to the throne. All this news was rather confused.

[41204]

No. 382.

Mr. Marling to Sir Edward Grey.—(Received December 16.)

(No. 383.)

(Telegraphic.) P.

Tehran, December 16, 1907.

NASR-UL-MULK is exiled, and leaves for Resht to-day. As he fears Shah will attempt his life on the way, he begged me to send a member of the Legation with him, as was done when the late Atabeg was sent to Kum in 1897. This, I said, I was for the moment unable to do. I am, however, sending two gholams.

On his arrest (see my telegram No. 382 of the 15th instant), the Assembly dispersed, and the Anjumans, on which its real power rested, remained inactive. The other Ministers have all resigned. They were summoned to the Palace and were practically under arrest there till they also left the Palace when Nasr-ul-Mulk was released by my demand on his behalf.

I have tried to let it be known that I will not permit the Legation to be used as a political tool, and I have stood entirely aloof except for intervention on behalf of Nasr-ul-Mulk, which was necessary unless the Legation was to lose all prestige by abandoning an old friend, and which has had an excellent effect.

The bazaars are closed. Armed partisans of Shah have occupied principal square since midday yesterday. For the present his *coup d'état* seems to be successful, and this is entirely due to his assurance of Russian support.

The Committees are collecting armed round the Assembly this morning.

There is no sign of danger to Europeans, and there has as yet been no fighting.

[41226]

No. 383.

Mr. Marling to Sir Edward Grey.—(Received December 16.)

(No. 384.)

(Telegraphic.) P.

Tehran, December 16, 1907.

THERE is no relaxation in the tension reported in my telegram No. 383 of the 16th instant.

The Assembly sat again without opposition from the Shah. A message from him, in reply to a deputation from the Assembly, advising them to adjourn while he restored order in Tehran, was contemptuously received, and violent speeches were made against him.

Large numbers of the members of the Political Committees, who have rallied in support of the Assembly, have since midday been guarding it armed.

[41016]

No. 384.

Sir Edward Grey to Sir A. Nicolson.

(No. 349.)

(Telegraphic.) P.

Foreign Office, December 16, 1907.

SITUATION in Tehran.

Please refer to telegram No. 382 of the 15th December from Mr. Marling.

All your endeavours should be used to urge Minister for Foreign Affairs to send

instructions to Russian Minister to do all in his power, in co-operation with British (Chargé d'Affaires, to prevent the dangerous measures taken by Shah against Prime Minister and Assembly from producing serious trouble at Tehran.

[41755]

No. 385.

Memorandum respecting the Persian Gulf Islands of Abu Musa, Tamb, and Sirri.

PART I.—Abu Musa and Tamb.

IN January 1903 Colonel Kemball, the British Resident in the Persian Gulf, reported that, in consequence of the short-sighted policy of the Belgian Customs officials, trade had to a large extent been diverted from the Persian port of Lingah, and local merchants were endeavouring to arrange with the Bombay and Persia Navigation Company to make the Island of Abu Musa a port of call, apparently for the purpose of facilitating their pearl business.

Colonel Kemball was apprehensive lest such a conjuncture should result in a territorial claim to this island being advanced by the Persian Government who, in 1888, had laid claim to and hoisted their flag on the adjacent Island of Sirri.

India Office,
July 23,
1903.

Incidentally it may be mentioned that, writing on the 28th April, 1888, Colonel Ross, then British Resident, had expressed a decided opinion that no valid claim to Abu Musa could be advanced by the Persian Government, while any attempt to assert their authority in a practical form would probably lead to disturbances.

Colonel Kemball stated that the island undoubtedly belonged to the Jowasmi Sheikh of Shargah (one of the Trucial Chiefs under British protection). In the winter it was usually visited by people from Khan and Shargah for purposes of fishing and grazing. In the pearling season these people were in the habit of migrating, and the sole inhabitants remaining were three men whose duty was to tend the date trees belonging to Sheikh Salem, the uncle of the Sheikh of Shargah.

The Jowasmi did not fly a flag on the island, and Colonel Kemball submitted that it might be well to advise the Sheikh of Shargah to keep his flag flying as a sign of ownership.

This course was approved by the Government of India, and on the 30th April 1903 Colonel Kemball reported that the Sheikh had issued orders to have his flag hoisted.

The Government of India at the same time instructed the Resident to furnish his observations on the expediency of advising the Sheikh of Ras-el-Khymah to adopt a similar course in regard to the Island of Tamb, which apparently belonged to that section of the Jowasmi.

Foreign
Office Mem-
orandum of
July 30,
1903

(In 1888, on the occupation of Sirri, the Sheikh of Shargah had urged that the Persians should be prevented from pursuing a similar course at Tamb.)

Colonel Kemball replied that the Persian Government had never asserted sovereignty over the island; that the Sheikh of Shargah, in his existing capacity as Ruler of Ras-el-Khymah, claimed it as an appanage of the Jowasmi of the Arab Coast, urging that it was visited by his subjects on account of the good water supply and for purposes of grazing; that the Sheikh was in possession of documentary evidence, in the shape of three letters from two Arab Sheikhs of Lingah, admitting the claim of the Jowasmi of the Arab Coast as against that of the Jowasmi of Lingah; and, finally, that in one of these letters, written in 1877, the Sheikh of Lingah had conceded that the Persians had no property there, nor any right of interference, save with the consent of the Chief of Ras-el-Khymah.

The Government of India hereupon directed that the Chief of Shargah should be advised, as in the case of Abu Musa, to hoist his flag on the Island of Tamb.

Inclosure in
Colonel
Ross' to
Tehran of
August 19,
1888 (see
Government
of India
Proceed-
ings,
September
1888).

India Office,
April 14,
1904.

India Office,
May 4,
1904.

In April 1904 the Viceroy of India telegraphed that the Belgian officials in charge of the Persian Customs had placed guards on Abu Musa and Tamb, forcibly removed the Arab flags, erected new flagstalls, and hoisted the Persian flag in both islands.

The Sheikh of Shargah, on hearing of this encroachment, declared that he could not tolerate the action of the Persian authorities, and, in virtue of Treaty relations, appealed to His Majesty's Government to take the necessary steps with a view to preventing such interference with his territory.

Major Cox, the British Resident, in commenting subsequently on the irresponsible action of the Customs officials on this occasion, wrote as follows:—

India Office,
August 19,
1904.

"I would observe in conclusion that signs are not wanting to my mind to incline me to the belief that if we do not maintain a vigorous policy in connection with these islands in the Gulf, it will not be long before we are confronted with difficulties in regard to the adjacent pearl fisheries, the preservation of which under the time-honoured conditions has always been one of the fundamental features of our policy in these waters."

The Government of India took a serious view of the incident, and proposed to dispatch a gun-boat to the islands, with a representative of the Sheikh of Shargah on board, to haul down the Persian flag, reinstate the Jowasmi flag, and remove the guards to Persian territory.

It was decided, however, in the first instance to make representations to the Persian Government, and on the 24th May His Majesty's Minister reported that they had telegraphed orders to Bushire to remove the flags and guards from Abu Musa and Tamb, while reserving their right to discuss with His Majesty's Government the respective claims to the island.

Sir A.
Hardinge,
No. 61,
Telegraphic,
May 24,
1904.

The following is the text of a note addressed by His Majesty's Minister to the Persian Government on the 15th June, 1904:—

"Your Excellency,

"I have had the honour to receive your note of yesterday's date respecting Tamb and Abu Musa, and shall be happy to transmit to the Government of India any proofs with which you may favour me that the claims of the Persian Government to the ownership of these islands outweigh those of the Sheikh of Shargah.

Sir A.
Hardinge,
No. 104,
June 15,
1904.

"Your Excellency must, however, understand that I cannot agree to the suggestion, of which I hear for the first time, that this Trucial Chief should not be permitted to replace his flag pulled down by the Persian Customs officials, and I would remind you in this connection that we have not insisted upon the Persian Government removing their flag from the Island of Sirri till the controversy between the two Governments as to the ownership of the island, which originated many years ago, has been reciprocally settled. The position would have been different if the Sheikh of Shargah had removed an existing Persian flag from Tamb and Abu Musa. What he did was to hoist his own flag upon the islands which were not yet formally occupied by any other Government, and he has the right to fly it as the first occupant, till his lawful possession of these islands is disproved."

In June 1904 Major Cox entered into communication with the Chief of Shargah, as Head Sheikh of the Jowasmi, respecting the rehoisting of the Jowasmi flags.

India Office,
September
20, 1904.

Flagstuffs were erected on both islands and guards stationed there, and the Chiefs and inhabitants of the Pirate Coast were glad, and felt assured that the British Government would protect them against enemies and would maintain their honour, and the people highly praised the British Government.

M. Naus, the Belgian Director of Customs, informed Sir A. Hardinge, in May 1904 that the Persian Minister for Foreign Affairs had told him that the Persian claim to Tamb and Sirri was sound, but that to Abu Musa was more doubtful. No further Persian claim to Tamb and Abu Musa has been reported since 1904.

Sir A.
Hardinge,
No. 91,
May 24,
1904.

PART II.—Sirri.

In June 1904 the Government of India instructed the Resident in the Persian Gulf to forward a report on the actual situation at Sirri, which the Persian Government had occupied in 1888, as it might be convenient to reopen the question of the legality of the Persian occupation if the Persian Government should afford an opportunity by questioning the status of Abu Musa and Tamb.

India Office,
August 19,
1904.

Major Cox reported that His Majesty's Government had never in any way admitted, or withdrawn their original objections to, the claim of the Shah's Government to the ownership of the island; while it was equally clear from the records of the Residency that the Jowasmi Arab Sheikhs of the Pirate Coast had never voluntarily dropped their claim to proprietary rights over Sirri any more than over Abu Musa and Tamb. As late as 1895 the said Sheikhs had declared that, although the Chief of Shargah on their behalf had duly represented to the British Government that the ownership of the island was vested in him, as Chief of the Jowasmi, the British Government had refrained from moving in the matter, and that they themselves had consequently been unable to enforce their rights by their own unaided efforts.

Sir A.
Hardinge,
No. 135,
July 23,
1904.

A full précis of the correspondence relating to the occupation of Sirri is contained in a letter, dated Bushire, the 19th August, 1858, from Colonel Ross to His Majesty's Minister at Tehran (*vide* Government of India, Proceedings, September 1888, No. 101).

[1549]

3 S

(Vide
supra.)

Sir Arthur Hardinge, in commenting on the correspondence between Major Cox and the Government of India, deprecated raising the case of Sirri, unless the Persian Government forced the question upon His Majesty's Government, since the latter were face to face with an occupation in which they had acquiesced for very many years, though they had not formally recognized it.

He added that M. Naus had consented to strike out Sirri from the list of Customs ports enumerated in the "Règlement Douanier."

(Signed)

ALWYN PARKER.

Foreign Office, December 17, 1907.

[41316]

No. 386.

Mr. Marling to Sir Edward Grey.—(Received December 17.)

(No. 385.)

(Telegraphic.) P.

Tehran, December 17, 1907.

MORE armed ruffians are being brought into the town by Shah, who are congregating in Cannon Square, supported by Cossacks and guns.

A partisan of the Majlis has been murdered, and a constitutionalist Seyyid murderously assaulted.

Round the Majlis building the Anjumens are again assembling armed.

Before the day is out, grave trouble is apprehended.

The trams have stopped running and practically all shops are shut.

Ministries of Foreign Affairs and War said to have been filled by Saad-ed-Dowleh and Amir Bahadur Tang respectively (see my telegram No. 380 of the 15th December).

[41293]

No. 387.

Mr. Marling to Sir Edward Grey.—(Received December 17.)

(No. 386.)

(Telegraphic.) P.

Tehran, December 17, 1907.

THERE is no doubt that Shah's jewels have been sold or pledged to Russian Bank (see my telegram No. 380 of the 15th December).

[41341]

No. 388.

Mr. Marling to Sir Edward Grey.—(Received December 17.)

(No. 387.)

(Telegraphic.) P.

Tehran, December 17, 1907.

I INQUIRED of His Majesty's Consul-General at Bushire as to foundation for statement in Reuter's telegram respecting seizure of a warehouse on Abu Musa Island, the alleged property of Messrs. Wöneckhaus, and he replies to-day as follows:—

"There are two small mud-huts on island, the property of British concessionaire. His Majesty's ship 'Lapwing' seized neither of these; there are no warehouses of any kind there."

[41204]

No. 389.

Sir Edward Grey to Mr. Marling.

(No. 199.)

(Telegraphic.) P.

Foreign Office, December 17, 1907.

I ENTIRELY approve your attitude and action, as reported in your telegram No. 383.

As regards the fate of Nasr-ul-Mulk, it is satisfactory to learn that the intervention on his behalf has had a good result.

[41012]

No. 390.

Sir Edward Grey to Mr. Marling.

(No. 200.)

(Telegraphic.) P.

Foreign Office, December 17, 1907.

CAPTURE of the Dayir pirates. Please see your telegram No. 378 of the 14th instant.

Persian Government might like one of their officials to be present on board His Majesty's ship.

You should suggest this to Minister for Foreign Affairs at Tehran.

[41580]

No. 391

Sir Edward Grey to Sir A. Nicolson.

(No. 431.)

Sir,

Foreign Office, December 17, 1907.

COUNT BENCKENDORFF spoke to-day with apprehension about the Turkish aggressions on the Persian frontier.

I said I thought the Turkish Government were behaving very badly all round—on the Persian frontier, in Macedonia, and everywhere. But it was no use trying to alter their course unless we were prepared to resort to strong measures. If coercion was to be used against the Turkish Government, public opinion here would demand that it should be used for the improvement of things in Macedonia, and I should much prefer that coercion should be used in such a way as to preserve the concert of Europe. As, therefore, we should probably have to consider the question of strong measures in connection with Macedonia, it would be better not to force forward the frontier question at present, especially as not much could happen in the winter.

I am, &c.

(Signed) E. GREY.

[41581]

No. 392.

Sir Edward Grey to Sir A. Nicolson.

(No. 432.)

Sir,

Foreign Office, December 17, 1907.

I TOLD Count Benckendorff to-day that the news from Persia was very bad, and that it seemed to me the only safe course was to abstain from interference. Foreigners, apparently, were not threatened.

I suggested that he might read an article from Professor Browne in the "Albany Review," very hostile to the Anglo-Russian Convention, pointing out that the Persians regarded the Convention as an attempted partition, and that it had created a strong party in Persia in favour of turning to Germany as against Russia and England.

I had seen Professor Browne, and had explained to him that the Anglo-Russian Convention had been signed just in time, and that, so far from promoting interference, it had diminished the risk of interference by Russia or England, who would otherwise probably have interfered at this juncture in order to prevent the disturbed situation in Persia being exploited by one against the other, an interference which might have led to the partition of Persia.

Professor Browne was very much in touch with feeling in Persia, where he had numerous correspondents; and all he had told me was an additional argument for avoiding interference and letting things take their natural course, otherwise we should incur ill-feeling.

I am, &c.

(Signed) E. GREY.

[41360]

No. 393.

Count de Salis to Sir Edward Grey.—(Received December 18.)(No. 548.)
Sir,*Berlin, December 16, 1907.*

THE German press are beginning to take considerable interest in the alleged interference in the Persian Gulf with the rights of certain German traders on the part of a British gun-boat, and some of the papers remark sarcastically that this incident is a very pretty example of the friendly relations that have been so much talked of between the two countries. I have the honour to inclose a translation of a letter, published in the "Berliner Neueste Nachrichten," from the firm of Traun, Stürken, and Co. Herr Stürken, who belongs to the firm of Wönckhaus, who are the traders in question, gives an account of what happened according to his information. The "North German Gazette" has not referred in any way to the matter, but the "Cologne Gazette" has published a telegram from Berlin which seems to be accepted by the press as being semi-official, translation of which I have also the honour to inclose.

I have, &c.
(For Count de Salis),
(Signed) GRANVILLE.

Inclosure 1 in No. 393.

Extract of Letter published in the "Berliner Neueste Nachrichten" of December 13, 1907.

(Translation.)

THE English gun-boat "Lapwing" brought an Arab Sheikh from the Pirate Coast to Bu-Musa and conveyed the coolies of the firm of Wönckhaus by force back to the Persian mainland. This Arab Sheikh for his part stopped the work in the oxide mines, for which the firm holds contracts from the legitimate owners, which were concluded during my stay in the Gulf last year, and drove away the agents of the firm with gun-shots. The object is to get the oxide business into English hands and to deprive the Hamburg-America Line of the freight. For this the English require a third party, viz., the alleged independent Arab Sheikh, who is nothing but an instrument in the hands of his English protectors. While the English press have been lately emphasizing the equal treatment of German trade and German shipping in Mesopotamia, this campaign against a successful German undertaking was carried out under the Arabian flag. The consequence will be a loss, firstly, to the rich native owner of the oxide mines, and, secondly, to German shipping and German trade.

Inclosure 2 in No. 393.

Telegram in the "Cologne Gazette" of December 13, 1907.

(Translation.)

FOR some time past English firms have exploited the oxide mines on the islands of the Persian Gulf, and recently the German firm of Wönckhaus and Co. have secured the right to work an oxide mine by leasing an island from a certain Sheikh. It is not impossible that this competition became inconvenient to the English firms who previously possessed a monopoly of this article, and it is therefore not unlikely that they encouraged another Sheikh to advance a claim to the possession of the island; but it is also possible that the Sheikh thought of the matter of his own accord. Whatever the reason may be, he landed with his followers and demanded that the employés of Messrs. Wönckhaus and Co. should leave the island, in which they had no right. These people, among whom there was no European, appear to have submitted to the Sheikh's demand without opposition. Nothing is known here of the report that a British ship of war took part in the seizure of the island, and it would seem more probable that the undertaking was carried out by the Sheikh and his followers alone.

As yet there does not appear to be any ground for diplomatic action with the British Government on the part of Germany, but the German authorities are now busy in endeavouring to discover the real facts of the case. It will depend upon them

what steps, if any, should be taken. It will be understood that this cannot be done in a moment, owing to the remote situation of the island and the complicated condition of titles to property in those parts, and therefore a certain amount of delay must elapse before the facts of the matter are clearly established. It is perfectly true that the German Government pursue no political interests in the Persian Gulf, and the rumour that Germany intends to establish a coaling station on the island in question is entirely without foundation. Messrs. Wönckhaus' undertaking is of a purely commercial nature, and as such they are entitled to the support of the State in the manner in which every State supports its subjects so long as their claims are justifiable.

[41459]

No. 394.

India Office to Foreign Office.—(Received December 18.)

Sir,

India Office, December 18, 1907.

WITH reference to the telegram No. 379 of the 14th instant from His Majesty's Chargé d'Affaires at Tehran regarding Abu Musa Island, I am directed to say that Mr. Secretary Morley concurs in the terms of the telegram of instructions which the Secretary of State for Foreign Affairs proposes to send in reply.

As regards the question of policy involved, Mr. Morley considers it of importance that the controversy which may perhaps be inevitable with the German Government should, as far as possible, be minimized. He would suggest that it should be made clear to Germany at the earliest convenient occasion that the action taken by His Majesty's Government has been solely with a view to maintaining the Sheikh's authority, which we have recognized by Treaty Agreements with him, and not with any object of excluding foreign enterprise—a course that would be inconsistent with the principle of the "open door," on which the whole policy of His Majesty's Government in these regions is based.

The proceedings of the single concessionnaire who, independently of his other partners in the Concession, executed the contract with Messrs. Wönckhaus, were of a kind fully to justify the Sheikh in cancelling the Concession with a view to the maintenance of his authority. Germany might further be informed that, when the questions connected with the cancellation have been settled, there will be no objection on the part of His Majesty's Government to the Sheikh making suitable arrangements for the exploitation of the oxide, provided that he grants no monopoly.

With reference to the advice given to the Sheikh by the Resident at the request of the Chargé d'Affaires—advice marked by a slightly undiplomatic crudity of expression—to pay no attention to the representations of the German Consul-General, Mr. Morley, in order to anticipate any complaint by the German authorities of improper behaviour on the part of the Sheikh, would suggest that it should be explained that the reason of the Sheikh's silence is that he has been informed by the British authorities that, in accordance with the provisions of our Treaty engagements with him, the matter will be discussed by us on his behalf with the German authorities.

I am, &c.
(Signed) A. GODLEY.

[41451]

No. 395.

Admiralty to Foreign Office.—(Received December 18.)

(Confidential.)

Sir,

Admiralty, December 18, 1907.

I AM commanded by my Lords Commissioners of the Admiralty to transmit, for the information of the Secretary of State for Foreign Affairs, decypher of a telegram, dated to-day, from His Majesty's ship "Sphinx" at Fao.

A copy has also been sent to the India Office.

I am, &c.
(Signed) C. I. THOMAS.

Inclosure in No. 395.

Commander Litchfield to Admiralty.

(Telegraphic.)

"Sphinx" at Fao, December 18, 1907.

PUNISHMENT of Dayir pirates.

These are now in hands of Sheikh of Mohammerah. He admits the guilt of the prisoners, but says tribes would object to execution in public, and that there are political reasons against such a course. He intends, however, to imprison them for life, and guarantees that they will be kept in safe custody. I have acquainted Commander-in-chief with the above.

The "Sphinx" is leaving Fao bound for Muscat, and will call at Bushire en route.

[41350]

No. 396.

Sir N. O'Connor to Sir E. Grey.—(Received December 18.)

(No. 167.)

(Telegraphic.) P.

Constantinople, December 17, 1907.

FOLLOWING from Mr. Wratislaw, dated the 16th December, No. 33:—

"The Turkish Colonel in command on the frontier seems to have heard nothing of Tahir Pasha's proposed departure for Van, and asked me again to inform him where the Persian Commissioner wishes the Commission to assemble. The Russian Vice-Consul has not received the instructions to which you refer in your telegram No. 14. It is reported that the Persian Commissioner has arrived at Salmas, and may possibly be expected here in a few days.

"Owing to the continual raiding of the Somai Kurds the state of affairs between Urmia and Salmas is becoming unbearable; unless the Persians take energetic measures to remedy it, which is hardly to be hoped for, the inhabitants may be driven to call in the Turks to put an end to it.

"All communications between here and Soujboulak stopped some time ago, and the news we get from the latter place reaches us through Tabreez. The Governor-General has ordered the irregular cavalry here, which numbers about 100, to join him in the neighbourhood of Soujboulak, leaving 30 men in Urmia. There is great unrest in the Solduz district.

"Addressed to Tehran, repeated to Constantinople."

I have sent a message to the Grand Vizier warning him of the complications which may ensue if the Turkish frontier authorities encourage the Kurds to commit depredations.

I have repeated the above to Sir A. Nicolson.

[41436]

No. 397.

Mr. Marling to Sir Edward Grey.—(Received December 18.)

(No. 389.)

(Telegraphic.) P.

Tehran, December 18, 1907.

FRONTIER. I am informed by Russian Minister that instructions referred to in Mr. Wratislaw's telegram No. 33 of the 16th instant were dispatched.

[41444]

No. 398.

Mr. Marling to Sir Edward Grey.—(Received December 18.)

(No. 390.)

(Telegraphic.) P.

Tehran, December 18, 1907.

NO Government has been formed. The Popular party is acting strictly on the defensive, and the Committees are still guarding the Assembly. The Shah last night conceded the Assembly's demands, which are moderate.

I have asked the Russian Minister to join me in requesting the Shah to remove his hooligans, as they are a danger to Europeans. A few parties of them are parading

the town, with the obvious intention of provoking disorder. Yesterday they murdered two men.

Several tents have been erected in the Cannon Square for the comfort of the Shah's party. Spirits are being supplied to them, and they remained in possession of the square all day.

[41445]

No. 399.

Mr. Marling to Sir Edward Grey.—(Received December 18.)

(No. 391.)

(Telegraphic.) P.

Tehran, December 18, 1907.

FOLLOWING is confidential:—

Sir A. Nicolson's telegram to you, No. 265 of the 16th instant.

Account of situation given by Russian Minister is misleading. Except in proper form, through the Assembly. Committees have made no demands.

It is only a very small minority that supports Shah.

Responsibility for present situation rests with Shah. No one but he has anything approaching a regular force to dispose of; his scheme was to attack the Popular party under pretext of suppressing the disorders created by his paid ruffians. As the Ministers were perfectly aware of this, they refused to be a party to any action likely to supply the opportunity he was seeking.

Zil-es-Sultan has in all probability designs on the throne. During the last three months he has withdrawn over 50,000l. from London, and he is endeavouring to ingratiate himself with the Mejlis.

[40843]

No. 400.

Sir Edward Grey to Mr. Marling.

(No. 201.)

(Telegraphic.) P.

Foreign Office, December 18, 1907.

CENTRAL Persian telegraph line.

It is desired by the India Office that you should hand over to the Persian Government 12,500 fr. on the 1st January, which is, under Convention of the 16th August, 1901, the first half-yearly payment, and that you should explain that, as soon as accounts have been completed, any further sum due will be paid.

As was done in case of Task royalty, the amount you have to pay will be arranged later as a charge against Telegraph Department.

[41013]

No. 401.

Sir Edward Grey to Mr. Marling.

(No. 202.)

(Telegraphic.) P.

Foreign Office, December 18, 1907.

ABU MUSA red oxide Concession.

Please see your telegram No. 379 of the 14th December.

We approve action taken by you, and you should follow the course proposed in making communication to the German Minister. You should explain that British subject, Hassan Samaiyeh, had, apart from Treaty rights, acted fraudulently and illegally respecting the contract made by him with Wöneckhaus, the reason being that Hassan's third partner had strong objections to the contract with Wöneckhaus, and had given him no authority in the matter.

It was for general information that Treaty of 1892 was published, and since the Treaty of 1820 was concluded we have had the Sheikh of Shargah under our protection. These facts should be brought to the notice of the Minister.

[41479]

No. 402.

India Office to Foreign Office.—(Received December 19.)

Sir,

India Office, December 18, 1907.

IN reply to your letter of the 12th instant, I am directed to say that Mr. Secretary Morley concurs in the view of the Secretary of State for Foreign Affairs that it is desirable to insist on the Persian Government's fulfilling, without further delay, their obligations in respect of the interest due on the British loans of 1903-4, and also on the immediate payment by them of the sums due on account of the sinking fund, unless they accept forthwith the conditions on which we agreed to permit its suspension.

I am to add that it seems to Mr. Morley, in view of the recent news from Tehran, that the draft telegram of instructions to the Chargé d'Affaires, inclosed with your letter, should be modified so as to leave it to his discretion whether to make an immediate representation to the Persian Government on the subject.

I am, &c.
(Signed) A. GODLEY.

[41478]

No. 403.

India Office to Foreign Office.—(Received December 19.)

(Confidential.)

Sir,

India Office, December 18, 1907.

IN reply to your letter dated the 17th instant, regarding the proposed destruction by one of His Majesty's ships of the strongholds of the Chief of the Dashti at Dayir and Kangan, I am directed to say that Mr. Secretary Morley concurs with Secretary Sir E. Grey that it would be well to approach the Persian Government, as suggested by Mr. Marling. In the event of the Persian Government objecting, no action should, in Mr. Morley's opinion, be taken till the matter has been referred to His Majesty's Government for further instructions.

I am, &c.
(Signed) A. GODLEY.

[41527]

No. 404.

Mr. Marling to Sir Edward Grey.—(Received December 19.)

(No. 392.)

(Telegraphic.) P.

Tehran, December 19, 1907.

PIRATES. Please see my telegram No. 375 of the 14th instant.

Acting Consul-General at Bushire has received following from Major Cox:—

"Pirates were handed over on the 17th December by Senior Naval Officer and myself to Sheikh of Mohammerah, who furnished suitable guarantee for their safe custody.

"He deprecates public execution at Mohammerah in any case on political and tribal grounds, but intimates his intention of imprisoning them for life, as he is familiar with their antecedents and guilt."

[41528]

No. 405.

Mr. Marling to Sir Edward Grey.—(Received December 19.)

(No. 393.)

(Telegraphic.) P.

Tehran, December 19, 1907.

I HAVE received following telegram, dated the 17th December, from Captain Lorimer in regard to increase of Ahwaz guard:—

"Entire party under Lieutenant Wilson has arrived at Ahwaz. They experienced no difficulties."

[41529]

No. 406.

Mr. Marling to Sir Edward Grey.—(Received December 19.)

(No. 394.)

(Telegraphic.) P.

Tehran, December 19, 1907.

TEHRAN situation.

There is no real settlement, though there is a certain *détente*, and the Shah's partisans in the Cannon Square and the crowds round the Assembly have dispersed.

The Shah has given permission to return to Ala-ed-Dowleh and Nasr-ul-Mulk, but he is demanding the removal of some of the most prominent deputies.

[41531]

No. 407.

Mr. Marling to Sir Edward Grey.—(Received December 19.)

(No. 395.)

(Telegraphic.) P.

Tehran, December 19, 1907.

THE Russian Minister is telegraphing to his Government that the conduct of the German Chargé d'Affaires, who has been showing a very active interest in the political situation, is incompatible with the declaration of the German Government that German interests in Persia are purely commercial.

Baron von Richthofen has openly boasted to M. de Hartwig that he gave advice as to organizing the defence of the Assembly buildings. He invited the President of the Assembly, with whom he has been in constant communication, to take refuge, if in danger, at the German Legation.

There are also other indications that he is trying to make political capital.

[41543]

No. 408.

Mr. Marling to Sir Edward Grey.—(Received December 19.)

(No. 396.)

(Telegraphic.) P.

Tehran, December 19, 1907.

CONSUL at Shiraz reports street robberies in broad daylight and continuous firing since the 15th instant. He asks authorization to detain sowars of relieved Legation escort due there to-day, but anticipates no direct danger to British subjects.

In present insecurity of roads it would in any case be better for them not to proceed, and I have accordingly authorized him to act as suggested.

I have informed Viceroy.

[41545]

No. 409.

Mr. Marling to Sir Edward Grey.—(Received December 19.)

(No. 397.)

(Telegraphic.) P.

Tehran, December 19, 1907.

SHIRAZ situation.

My telegram No. 396 of to-day.

His Majesty's Consul telegraphs as follows:—

"I propose this evening to post sowars in houses of all British subjects in view of unsatisfactory condition of town as reported to me this morning.

"In a note to Karguzar I am repeating my previous warning to effect that responsibility for British lives and property rests with local authorities."

In reply I have telegraphed following:—

"In my opinion dispersal of your men would be extremely risky. Better course would be for such British subjects as desire protection to come to Consulate if situation is really grave."

[41546]

No. 410.

Mr. Marling to Sir Edward Grey.—(Received December 19.)

(No. 398.)

(Telegraphic.) P.

Tehran, December 19, 1907.

TEHRAN situation.

Please refer to my telegram No. 390 of the 18th December. Following is secret:—

As I have already indicated, it is abundantly clear to me that the Shah's cause is being espoused by the Russian Legation.

The Russian Minister agreed quite distinctly yesterday that a joint representation should be made to the Shah by our Dragomans, urging the removal of the ruffians whom he has imported, and basing their request on the interests of the life and security of Europeans. The Russian Dragoman, who necessarily acted as spokesman when they went to the Palace this morning, gave a message in which the two Legations were represented as congratulating the Shah on restoring order, and expressed approval when the Shah announced his intention of demanding the expulsion of certain prominent members of the Assembly. As to the representation agreed on, he mentioned nothing of the kind. Mr. Churchill returned and informed me, having thought it wiser not to dispute in order to avoid the appearance of discord.

This Legation is, therefore, as the result of the interview, represented as acquiescing in the Shah's actions, while no attempt has been made to diminish the danger of disorders.

I called on M. de Hartwig this afternoon to urge that this false impression must be corrected. Although the Russian Dragoman's written report admitted the facts, M. de Hartwig of course denied the existence of such an impression.

I pointed out that the situation had grown more threatening during the morning, and I represented that the demand of the Shah for the expulsion of the members was a flagrant violation of the Constitution, which must be rejected by the Assembly, and increase the probabilities of disorders, which it was our joint desire to prevent. We should advise the Shah, I suggested, that this and other unreasonable demands should be desisted from.

The Russian Minister appeared to me to wish to avoid a frank discussion. He declared it unnecessary to take the steps which I suggested, and said that the Mejlis was losing courage and would accept the Shah's demands.

It is clear that the Russian Legation will not make any representations on behalf of order, as such representations must necessarily weaken the Shah's hand. It would, anyhow, always be open to M. de Hartwig, as spokesman, to repeat the tactics of his Dragoman—and corrections on my part would produce the impression of lack of harmony—even if we again succeeded in agreeing on any joint representations.

I fear that the pacificatory influence of this Legation in the present crisis will, in these circumstances, be thwarted so long as I have to conform my action to that of the Russian Minister; and that attempt at joint action with the Russian Legation will only result in placing this Legation in a false light.

I venture to ask for instructions.

Meanwhile I propose to enlist the good offices of the French Minister, exposing the situation to him confidentially.

[41547]

No. 411.

Mr. Marling to Sir Edward Grey.—(Received December 19.)

(No. 399.)

(Telegraphic.) P.

Tehran, December 19, 1907.

I HAVE received visit from two leading members of Mejlis, who state that Khorassan is practically in insurrection and that parties are leaving for Tehran from Tabreez and Resht to support popular cause. His Majesty's Consuls have not reported. A telegram to the Assembly from the Tabreez local Assembly has, however, been shown me, which states that Shah is no longer fit to rule over Mussulmans, having broken his oath, and that he will no longer be recognized as Sovereign from to-day onwards.

[41479]

No. 412.

Sir Edward Grey to Mr. Marling.

(No. 203.)

(Telegraphic.) P.

Foreign Office, December 19, 1907.

PERSIAN loans. Please refer to your telegram No. 369 of the 10th instant.

You should inform the Persian Government at the earliest moment at which it is possible, under present political conditions, that interest is now long overdue, and that your instructions empower you to insist that it shall be paid immediately.

Further, you should inform them, if you consider such a course advisable, that if they fail to accept our stipulations without delay, we must demand instant payment of sinking fund.

[41478]

No. 413.

Sir Edward Grey to Mr. Marling.

(No. 204.)

(Telegraphic.) P.

Foreign Office, December 19, 1907.

QUESTION of Dayir pirates.

Refer, please, to my telegram No. 200 of the 17th instant.

Should objection be raised by Persian Government, do not act without receiving further instructions, for which you should apply to me.

[41565]

No. 414.

India Office to Foreign Office.—(Received December 20.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 18th instant, relative to the question of the dispatch of troops into Persia during serious disturbances.

India Office, December 19, 1907.

Inclosure in No. 414.

Mr. Morley to Government of India.

(Telegraphic.) P.

India Office, December 18, 1907.

SHIRAZ. Your telegram dated the 12th December.

Policy laid down in my telegram of the 6th ultimo must be regarded as strictly governing situation for the present. If His Majesty's Government consider it necessary in any way to enlarge that policy, you will be duly informed.

Please refer to your telegram of the 17th January last stating that troops would no longer be held specially in readiness. I should be glad to know whether the scheme for dispatch of columns means merely that action which will be necessary in the event of columns being needed has been considered at head-quarters, or that definite action has been taken.

[41624]

No. 415.

Sir N. O'Connor to Sir Edward Grey.—(Received December 20.)

(No. 169.)

(Telegraphic.) P.

Constantinople, December 20, 1907.

I RECEIVED this morning a telegram from His Majesty's Vice-Consul at Van reporting that the authorities in that town had received instructions to make all the preparations necessary for mobilization at a moment's notice. The troops affected are the following: the 4th Battalion of the 59th Regiment of Redifs and the Van brigades

of irregular cavalry (eighteen regiments), whose head-quarters are Argish and Van. This constitutes the whole of the reserves in the vilayet.

The Sultan and the Porte have been deeply impressed by recent reports, in which the Turkish Ambassador in Tehran describes the serious nature of the disturbances there, and these preparations would certainly appear to be with a view to meeting any eventualities.

Mr. Dickson also reported that Tahir Pasha and the other Ottoman Commissioners were expected to reach Van on the 19th.

I have repeated the above to St. Petersburg and Tehran.

[41612]

No. 416.

Mr. Marling to Sir Edward Grey.—(Received December 20.)

(No. 400.)

(Telegraphic.) P.

Tehran, December 20, 1907.

I HAVE received following telegram, No. 19 of the 19th instant, from Consular officer at Tabreez:—

"Prince Firman Firma left Serdaront yesterday for Gogan en route for Miandoab with 200 irregular cavalry, one regiment, four guns, and 400 loads of ammunition. Two more regiments and 1,000 horsemen will join him in Maragha and Miandoab. Five hundred Kurdish horsemen marched on Miandoab, but withdrew when seeing that Samet Khan, late Governor of Saoujboulak, was prepared to offer resistance. Situation here quiet, but much uneasiness prevails on account of events in Tehran."

[41697]

No. 417.

Consul-General Cox to Sir Edward Grey.—(Received December 21.)

(No. 7. Commercial.)

Sir,

Bushire, November 25, 1907.

I HAVE the honour to submit for your consideration a copy of a very interesting and exhaustive Report drawn up by Mr. Vice-Consul Chick on the operations of the Hamburg-Amerika Line in these waters during the first year of their venture, and bearing of the latter on the prospects of British commerce. I venture to hope that, as far as is considered possible, the attention of Chambers of Commerce may be directed to the salient conclusions arrived at.

The Report is very thorough in itself, and my views being generally in accord with Mr. Chick's, I do not think advantage would be gained by my delaying submission of the papers in order to discuss at length the various problems dealt with by him.

The main fact is that it seems to be clearly demonstrated that if British Shipping Companies and British traders can only be induced to arouse themselves and look to the weak spots in their armour, there is as yet no reason for us to be seriously apprehensive of the effect of the German competition lately inaugurated. It may rather prove a useful corrective and stimulant.

In this connection I would draw special attention to the summary of salient desiderata given at the conclusion of the Report. In regard to the several items which the exertions of this Consulate-General can assist in promoting locally, all that is possible is being done, but items 1, 3, 4, and 6 especially I respectfully commend to the sympathetic consideration of His Majesty's Government, which will, I hope, indorse the view that, having regard to the existing political outlook, the early capture of prominent commercial points of vantage is likely to assist us materially in combating the evident efforts of Germany to create vested interests on which she may ultimately base a claim to be associated with the political as well as the commercial future of Southern Persia and the Gulf.

I take the opportunity afforded me by the submission of the present Report to testify my thorough appreciation of the ability and great industry which Mr. Chick, who has now held the post of Vice-Consul for a complete year, brings to bear upon all his work. I could not wish for a more satisfactory lieutenant, and feel sure that British commercial interests in this neighbourhood could not be in better hands.

I am forwarding a copy of the Report simultaneously to the Government of India and His Majesty's Chargé d'Affaires at Tehran.

I have, &c.
(Signed) P. Z. COX, Major.

Inclosure in No. 417.

Report on German Trade and the Hamburg-Amerika Line in the Persian Gulf, 1906-1907.

(Confidential.)

THE entry of the Hamburg-Amerika Line into the trade of the Persian Gulf in August 1906 came in nowise as a surprise, for already in 1896 Lord Salisbury had alluded in a despatch to Her Majesty's Minister in Tehran to an announcement that "a direct line under the German flag between Hamburg and Bushire is in contemplation."

A full year having expired since the service was initiated, statistics are now appended to show the trend and effect of the operations of the German Steamship Company, more especially as far as regards Bushire and the nether waters of the Gulf.

Statistics alone, however, hardly express the spirit of competition engendered by the visits of the Hamburg-Amerika steamers, for the fact that the German firm of Robert Wöckhaus and Co. were given the agency of the steamship line, and have to a certain extent been able to make the steamers specially foster their own commercial development, coupled with the keen interest taken for the success of the scheme by the German Government and financial institutions, has naturally aroused an antagonistic spirit among the important British commercial concerns in the Gulf ports.

If anything, the attitude of Russian officials and the Russian Odessa Company has been one of even greater suspicion towards the German venture than has that of our own nationals.

The ultimate aim and orientation of the new undertaking in its politico-commercial sense, though earnestly sought for, has proved very difficult of ascertainment; and this very uncertainty has kept the European mercantile communities in a state of somewhat nervous anticipation. Overtures by the Deutsche-Orient Bank of Hamburg to native British traders in Bunder Abbas, ostentatious forward policy in Lingah, including, it appears, the flying of the German flag over two native boats, the endeavour to inaugurate relations with the Arab coast, as well as financial operations in Bushire, and many rumours of other forms of enterprise have added to the perplexity with which the future of German identification with the politics and commerce of Persia is generally regarded.

German institutions in Southern Persia and the Gulf consisted, in August 1906, when the Hamburg-Amerika Line commenced its sailings, of Heinicke and Co., in Shiraz, managed by Mr. Heinicke, erstwhile captain of the Persian gunboat "Persepolis," now a merchant exporting vegetable produce, chiefly gum, gum tragacanth, and raisins, and of Messrs. R. Wöckhaus and Co. The latter firm has extended its operations considerably in the past few years, enabled, no doubt, to do so through the financial support afforded by the dormant partners, Messrs. Traun, Stürcken and Co., of Hamburg, a member of whose firm toured the Gulf a year or so ago.

Mr. Robert Wöckhaus first appeared in the Gulf as the employé of Messrs. Prins, Stürcken and Co., who, not knowing whether the venture would prove successful, preferred not to involve their own name in the speculation, which, however, at the moment was lucrative enough. Business was first started at Lingah in or about 1896, entirely for the shell trade. In 1899 Mr. Wöckhaus opened out in Bahrein with a German employé, British firms having previously been represented in the islands by native agents. In 1901 Mr. Wöckhaus was induced to extend his operations to Bushire, and it is certain that at first his principals, still unable to decide whether the business should or should not be conducted in their own name, saw reason to regret the move. Knowledge of the intentions of the Hamburg-Amerika Line, however, changed the aspect of affairs for them, and further expansion to Mohammerah, Bussorah, and Bunder Abbas in 1904 and following years resulted.

The firm is at present represented in Bahrein and the Persian ports by—

Herr Bahnsen, at Bahrein.
Herr Brown, at Lingah.
Herr Roeber, "
Herr Krumpeter, at Bushire.
Haji Mushir-ut-Tujjar, at Mohammerah.
Agha Ghulam Ali Khorassani, at Bunder Abbas.

[1549]

Freights.

The first effect—a beneficial one—of the incidence of German competition made itself felt in a rapid fall of freight rates to Europe. Previously the three British shipping lines forming the Conference, viz.: (1) The Anglo-Algerian Steam-ship Company; (2) the Bucknall Steam-ship Lines; and (3) the West Hartlepool Steam Navigation Company had a fixed rate from Bushire to London of 30s. per 40 cubic feet, with a graduated scale for produce in bags or bulk. There were rumours before the arrival of the first German steamer that freights would be offered at 11s., and London rates were reduced to a 20s. basis, but the initial German rate proved to be 18s. to 20s., and soon settled down at the last figure. There have been, however, substantial differences in the tonnage allotted to various produce by the Hamburg-Amerika as compared with the English steamers; thus gum is reckoned per ton of 15 cwt. by the "Conference," per ton of 18 cwt. by the German line. The last-named line still shows a distinct disposition to cut rates still finer by underquoting prices, in the hope of attracting the custom that does not come. With the prospect of a rate war, the Anglo-Algerian Line announced in the spring of 1907 its intention of making Hamburg a port of call; on the other side, the German Company has threatened to take cargo from London and Manchester, but has not, so far as is known, fulfilled its threat. But as regards exports from the Gulf, British steamers have standing orders, it is believed, to proceed direct to Hamburg or Antwerp provided a sufficient quantity of cargo can be booked.

Service of Steamers.

The monthly sailings were effected by the following steamers in the order given:—

Steam-ship "Canadia."	Steam-ship "Savoia," 2,614 tons.
" " "Sicilia," 2,926 tons.	" " "Canadia."
" " "Savoia," 2,614 "	" " "Teutonia," 3,069 tons.
" " "Hungaria."	" " "Assyria," 2,530 tons.
" " "Canadia."	" " "Savoia," 2,614 tons.
" " "Assyria," 2,530 tons.	" " "Sicilia," 2,926 "

The average period from the date of arrival of these steamers at Bushire to date of their return call has been twenty-four to thirty days. More than one of them has, however, been stranded on the Bussorah bar; the steam-ship "Hungaria" was reported aground four days in the Straits of Messina, was delayed on the bar in January by an escapade of her captain, who left his ship to go to the help of a dhow in distress; the same captain was afterwards in command of the steam-ship "Teutonia," which put into Port Sudan with her propeller broken, necessitating the charter of the British steamer "Wingrove." Lastly, on the homeward voyage the steam-ship "Teutonia" went ashore on Masoreh Island, in the dominions of the Sultan of Muscat, and seems likely to become a total wreck.

Financial Aspects.

These heavy losses alone must needs be written off against any profits that may have accrued to the Company from freights. But it is highly improbable that any profit was made on any single sailing, and the master of one of the German vessels on the run vouchsafed the statement that each voyage resulted in a dead loss to the Company of not less than 1,000*l.* Moreover, a scrutiny of the cargoes imported into the Gulf, as given in the statistics hereto attached, goes far towards showing that the ships' holds could have been anything but well-filled. An average of the cargo landed at all the Gulf ports and Bussorah (exclusive of Bagdad through cargo) gives 11,016 packages per vessel per voyage, a much inferior quantity to that usually carried in British bottoms; and further investigation shows that these packages are often light and small cargo, piece-goods and sugar being present in very small proportions.

A further factor, tending to indicate that the net result of the enterprise has been so far considerable loss—whether to the Hamburg-Amerika Line or its agents—is the system adopted by the German steam-ship agents at Bussorah and Mohammerah of filling the ships with their own export cargo. I am assured by British merchants of long experience in the Gulf that such a policy, save in exceptional times, has been proved before now to be the reverse of remunerative, if on steamer's account, and means certain losses to the agent in the contrary case. There is yet to be placed to the debit of the venture the facts that practically little cargo has been taken away from the Gulf ports other than Bussorah, Mohammerah, and Bagdad, that watchful

competition by all the other Companies has reduced the German bookings of native cargo to a minimum, and lastly that, as exemplified in several cases in Bushire, their agents are not always fitted by a knowledge of local conditions and of the race, with whom they deal, to make the necessary headway.

The probable sources of loss during the period under observation being thus indicated locally by circumstantial signs, the admission by the Company of its losses is worthy of mention. His Majesty's Consul-General at Hamburg has in a confidential letter, written previous to the mishaps which attended the ill-fated steam-ship "Teutonia," mentioned that "according to their own statement of the Hamburg-Amerika Line the steamer service which was started last year between Hamburg and the Persian Gulf ports (and other ports) was not attended by profits, but, on the contrary, was attended with considerable costs."

It would be idle to conjecture the causes which have led the Hamburg-Amerika Steam-ship Company to undertake these costly sailings, and the probable limit to which losses will be sustained without a modification of the present service. A newsagent of the Consulate-General has, it is true, reported as a statement made by the German Consulate Munshi, that the steamship line is prepared to meet losses of 3,000,000 marks over a period of three years on expenditure incurred on the enterprise.

It is, however, stoutly maintained by the British steam-ship lines and the masters of vessels in the Gulf trade that the venture is financially supported by the German Government, despite repeated denials on the part of the latter.

Notwithstanding the hope expressed by the Hamburg-Amerika Line that "the outlay will in course of time prove to have been warranted by the beneficial results which will arise from the opening of this new steamer service for the general commercial and industrial interests of Germany," prospects in the Persian portion of the Gulf seem to afford no special grounds for apprehending any marked impetus in the carrying trade of the Hamburg-Amerika vessels. The principal commodities in heavy demand in Persia are Manchester goods and sugar, both French and Belgian. The first are unlikely to be replaced in the popular estimation for a long period, and the contract for the freight of French sugar is at present held by an English steamer line, while the major part of the Belgian brand likewise falls to another English Company. As long as the British Companies maintain their present attitude towards any competitive movement, such as the cutting of rates by the German Company, and their option on the renewal of existing contracts, there would seem, in the absence of any German institutions set up or concessions obtained in the south-west of Persia, to be small probability of direct trade with the Persian ports warranting the continuance of visits on business grounds. Moreover it is expected that the statistics for the second year of the German Company's visits will show a decrease, as the result of various measures by the British firms for the protection of their own trade against further encroachments.

Though statistics for Bussorah of the import and export cargoes carried by the Hamburg-Amerika Line's steamers have been obtained through the kindness of His Majesty's Consul at Bussorah, those statistics do not cover the total period now under review, and the comparison between the trade with the various ports is therefore defective, and similarly as regards statistical information received from the Political Resident at Bagdad.

So far as the comparison extends it is clear that the importations into Turkish territory are much in excess of those into the Persian ports, and the exports from Bushire cannot even be proportionately compared with the exports from Bussorah, which are, it is understood, very largely the shipments of the German agents.

En résumé, it would appear that the carrying trade of the Hamburg-Amerika steamers has lain even more with the Turkish ports than the normal predominance of Bussorah over Bushire would pre-suppose.

Putting on one side times of abnormally advanced prices for grain in Europe, such as the present, the experience of steamer agents in Bussorah, who have bought cargo expressly to fill their own steamers, has been heavy loss. The maintenance of the existing costly and unprofitable service without a change from this unsound policy will go far towards showing whether the line is not in reality indemnified by its Government, or induced by the promise of further gain from the valley of the Euphrates and Tigris to persist in a doubtful speculation.

PART I.—Imported Cargoes.

Reference to Statistical Table No. 1 gives the exact numbers of packages landed at Muscat, Bahrein, Bunder Abbas, Lingah, Bushire, and Mohammerah. Ahwaz cargo is not given, as the imports are unimportant. In the majority of cases the ships' manifests

have been obtained from the local Customs for this information. In no case has it been communicated by the German agents. It has been thought desirable to assign values to the cargoes, but no figures for this purpose have been received from Muscat and Bahrein, and in the case of Bushire—probably of the other Persian ports also—the absence of supervision by the Persian Customs over the declarations made by local merchants in payment of duties renders it impossible to trace the declared value of the different items of cargoes. Calculations have been made, therefore, on the basis of the approximate values in the Bushire market, and except as regards piece-goods, which are rated far too high, probably the value of Bushire cargo is fairly accurate.

Ports on Arab shore of Gulf—							Packages landed.
Muskat	..	..	..	..	..	..	6,227
Bahrein	..	..	..	..	..	..	10,098
							16,325
Persian ports—							
Bunder Abbas	..	..	..	..	..	..	5,247
Lingah	..	..	..	..	..	..	26,664
Bushire	..	..	..	..	..	..	10,808
Mohammerah	..	..	..	..	..	..	10,026
							52,745
Turkish ports—							
Bussorah (for seven months only is given as)	..	..	..	..	..	..	57,753
Bagdad (for six months only is given as)	..	..	..	..	..	..	16,849

Bushire.

The average cargo landed at Bushire was very small—only 900 packages per vessel. Owing to the extreme reticence of the German office it was not possible to obtain the exact valuation of the imported goods. The number of packages, chiefly heavy cargo, brought by a British steamer of the Conference Lines to Bushire averages 5,000-9,000 packages, and the record cargo has exceeded 17,000 packages.

It will not be out of place to hazard a forecast that the second year of the line's sailings to the Gulf will not show an increase in cargo landed at Bushire. The first three vessels of the second year have landed 934 packages in all—445 from Hamburg and 445 from Antwerp, making an average of 311 per vessel, or less than one-third the amount recorded for 1906-7. 404 packages of the Antwerp cargo brought in a freight of 37*l.* 15*s.* 5*d.*, so the calls at Bushire cannot be highly remunerative.

It will be remembered that the statistics of the Persian Customs for the year March 1906-7, though notoriously unreliable in their assignment of import to the respective countries of origin, showed that Germany's import trade to Bushire had decreased from 26,264*l.* to 25,459*l.*, of which some 10,000*l.* was *primâ facie* Belgian sugar, Swedish matches, and Dutch candles.

The current year, of which only five months' figures are yet to hand, shows that Germany's imports to Persia via Bushire have decreased still further from 11,686*l.* to 7,910*l.* as compared with last year. This is the more remarkable as both the total value of import and that assigned to the United Kingdom are largely in excess of 1906-7.

Imports during the Year, August 1906-September 1907, by the Hamburg-Amerika Line.

Imports during the year, August 1906-September, 1907, by the Hamburg-Amerika Line:—

							Packages.	Approximate Value in £.
Hamburg cargo	..	..	..	..	..	..	4,148	13,574
Antwerp	..	..	..	..	..	..	5,688	18,105
Trieste (kerosene)	..	..	..	..	..	..	752	211
Marseilles	..	..	..	..	..	..	220	2,051
							10,808	33,971

The above Table shows the ports of shipment of the cargoes, Antwerp providing more packages and more valuable cargo. It is further seen that Hamburg cargo is

more nondescript than that from Antwerp; it would thus appear that in the event of a rate war breaking out the British Steamship Companies would be justified in making Antwerp, rather than Hamburg, a port of call.

Indigo.—By far the most important article imported by the Hamburg-Amerika Line was synthetic indigo from the Badische Soda-Anilin Fabrik at Ludwigshafen, 358 cases being imported by 8 different vessels. Each case weighs net 136 lb., either 3, 4, or 5 tins going to the case. A tin inspected (of a case containing 4 tins) measured 20 by 12 by 8 inches, and weighted 34 lb. gross. The tins, packed five to a case, weigh 27 lb. each. This article has, in a few months, made a large inroad in a field hitherto held by India, natural dyes. In 1905 indigo, to the value of 21,164*l.* was brought into Bushire from India, chiefly Madras and Khairpur; in 1906-7 the value fell to 15,833*l.*, the quantity to cwt. 1,444, and there appeared an item of 824*l.* from Germany. In the six months of the year 1907-8, which come within the purview of the present report, over 300 cases of the latter product have been imported with a 'customs' value between 4,000*l.*-5,000*l.*, and a local value at destination in excess of 6,000*l.* Enquiry at Isfahan, the greatest dyeing centre in Persia, showed that the price of synthetic indigo was about 110 krans (2*l.* 4*s.* approximately) per Shah man of 13 lb. The Indian article varied, according to quality, from 100-200 krans (2*l.* to 4*l.* 8*s.*) for the same weight. It is thought by His Majesty's Consul-General at Isfahan that the artificial is destined to supplant the natural dye, as the former has been a great success at Isfahan and Sultanabad. Bushire is remote from the dyeing centres, but it would appear that a larger demand for indigo has existed during the current year, for the Customs' returns here give the import of Indian indigo for the first five months as 134,108 lb. with a value of 16,519*l.* The market is very probably overstocked, and in any case Indian exporters of the better-class dye will need to reduce their prices considerably to compete against the German article; there is nothing at present to show that the Indian exporter has realised the threat to his trade and taken steps to meet it. The largest importer is a certain Essa Sarkis, of Isfahan, and Messrs. Ziegler and Company also use it at Sultanabad.

Matches.—These are all Swedish by origin; the Vulcan Tandstickor "Globe" brand, manufactured at Tidaholm in Sweden, a sulphur match. They are packed in cases containing 50 gross, and in boxes of about 75 each, 1½ inches in length, but their chief merit is the low price of 140 krans (2*l.* 15*s.* 6*d.*) per 50 gross. Transshipment is effected at Hamburg, and the agents are Messrs. Vogler and Trummer, of 6, Lloyd's Avenue, London. In an overstocked market, this brand of matches—classified as "German" by the local Customs' Administration—has carried all before it. It cannot be too much emphasized that the sulphur match is predominant in Persia by reason of the inability of the great portion of the peasant class to pay for a safety match. The lack of enterprise on the part of British manufacturers to attempt competition with Swedish, as also the fact that all those matches classified by the Customs as "English" exports are Swedish made, has already been noted in the Trade Report for 1906-7.

Sugar, Loaf.—A Belgian brand from the Raffinerie Tirlemontoise, in cones about 11 inches in height, wrapped in blue paper with a round black label in the centre with gold lettering. The use of this brand of sugar is practically confined to the coast districts of the Persian Gulf, the article meeting with little favour up-country on account of less insolubility, and lack of sweetness as compared with French sugar. As a rule, it is packed in cases, more rarely in bags for transport inland. In the littoral it holds the market, principally on account of its shorter price, the cones only weighing 1.70 kilog., though the same size as 2 kilog. cones—thirty-six cones go to the case. This sugar is usually carried by the Anglo-Algerian Company's vessels, and it would appear that no strict contract existed as in the case of the St. Louis sugar. In view of the vogue attained by Belgian loaf-sugar both in Turkish Arabia and the Gulf, to the "building up" of which trade the German Consul at Bagdad has made reference, it might be to the advantage of the Anglo-Algerian Steamship Company to secure an exclusive contract; the agents here lack information as to the existing arrangements made by the "Société de l'Exportation des Sucres" with the above-mentioned and Hamburg lines.

The opportunity is taken to make an appeal for a trial of manufacture for the Persian market by English refiners; Messrs. Tate & Co. have, it is believed, informed one English shipper that they could not turn out loaf-sugar cones at a price that would pay them. Though owing to the cheapness of sugar the moment may be unpropitious, yet it is possible that at the instance of the Board of Trade and Chambers of Commerce, the English manufacturer would be prevailed on to put English cones on the market

beside the Belgian, Austrian, and French. Samples of these latter would gladly be sent with full details as to packing.

Sugar, soft.—The "First marks" granulated brand from Hamburg: a dirty-coloured sugar, which is only appreciated in the coast districts, and then only when there is a scarcity of Austrian crystals.

In this connection attention might be called to the fact that 1,250 bags of Mauritius sugar, the first import for some years, sold well in Bushire a few months ago, and much more business might have been done with a larger stock on hand. Cane sugar has a great advantage over beet, on the ground of greater purity, in the eyes of Shiah religionists here. The medium-sized crystals were slightly yellow-tinged, but the chief desideratum is a low contract price between Mauritius and Bushire if possible.

Drugs.—Are almost entirely imports from Hamburg by the German chemist in Tehran. The shippers are manifested as Blembel Gebrüder, and Koch and Reiners.

Candles.—Shipments from Antwerp of stearine candles manufactured by Roubaix, Oedenhoven and Co. Priced at 36 krans per case of thirty packets.

Window-glass. All Belgian manufactured, shipped by Lemmens. Coloured and white. The panes measure 12 inches by 10 inches; coloured glass is very generally used in Bushire and Shiraz for doors and windows. Cases contain sixty panes; more rarely cases of thirty panes 24 inches by 20 inches. Price in Bushire 20 krans per case of white; 30 krans per case of coloured.

Glassware.—Chiefly from Antwerp; also manufactured by the "Compagnie des Cristalleries de Baccarat." None has been disposed of here, so no samples are available, all being indents from up-country, but the item comprises such articles as lamps, chandeliers, lustres, glasses, candlesticks, &c.

Cotton Goods.—All the Antwerp shipments were either white cambrics of Messrs. G. Z. van Heek and Zonen or cotton drills from Van Heek and Co., both of Enschede. None are for the Bushire or Shiraz markets, the cambrics going to Isfahan and Tehran, the drills to Isfahan. It is not new trade, and there have been previous consignments in past years. The German agents have constantly sent to Germany samples of Manchester goods for imitation. In some cases, at least, the manufacturer has declined to imitate, the market not being sufficiently attractive. German prints that have been introduced show a lack of knowledge of requirements, widths, for example, being 20 inches, not 27-28 inches. The stuffs are better woven and of better design than the English, but both cloth and price are too good for the market.

Sewing-machines.—German manufacture, consigned to Bushire by Eugene Rudenberg, offered here at about 2*l.* per machine, but probably still unsold, as there is little opening in Bushire town.

Kerosene.—Was exported from Fiume. Only 752 cases were landed at Bushire, and mostly forwarded to Shiraz, but over 10,000 at Lingah, chiefly for re-export to Debai, on the Arab coast. The tins bear no mark as to the flashlight standard of the oil. American oil has in the last two years driven Russian petroleum off the Bushire markets, but the latter reaches the Shiraz bazaars from the north. American oil can probably hold its own with the European import in price.

Miscellaneous. A considerable number of samples have been brought for the German agents, and more will be said on their method of advertising. It is noticeable that firms in England and India have been regrettably inattentive to the announcement of the circulation of samples made by the Bushire Consulate-General some months ago, which was intended to afford facilities and encouragement to British trade, but has met with little response.

Bushire.—Exported Cargoes.

The produce taken from Bushire by the line during the twelve months was comprised and distributed as follows:—

	Packages.	Declared Value.
		£
Hamburg	1,540	7,939
London	1,019	10,035
New York	51	504
Antwerp	1,658	5,080
Marseilles	206	303
Turkish and other ports	1,940	2,962
Total	9,414	26,823

The value of almost all the exported produce is taken from the declarations made to the Customs, the balance calculated at current rates; for the rest, export declarations are to a degree unreliable. The greater bulk of these exports were made in the first six months.

The seeds were nearly all Messrs. R. Wönckhaus' own cargo; the raisins and gum consignments by the German Heinicke in Shiraz for Hamburg and New York; gum tragacanth to London. The opium to London was consigned by Persian merchants. Twenty-four chests of that shipped were lost in the ill-fated steam-ship "Teutonia." It is thus apparent that little support was accorded to the line by the native trade.

Exports from Bushire to Germany were, according to the Customs statistics in—

	£
1905	10,565
1906-7	21,228 (of which 21,800 <i>l.</i> gum).

It is significant to note that for the five months of the current year, statistics of which are available, the direct exports to Germany have decreased from 5,219*l.* to 768*l.*

Patronage, however, is eagerly sought by the German agents, terms are made accommodating. Support might be obtained if the British lines are not watchful of their interests. Quite recently, during the opium boom, a serious blunder was made when rates were raised without warning from 27*s.* 6*d.* to 40*s.* per chest by the management of the British lines in London. The German line immediately lowered its own to 20*s.*, and the London Companies were forced to climb down.

The faith of the Persian merchant in the British Companies has been shaken, for he now believes it was the German line which kept rates down when the British were trying to put them up. If the British Companies forfeit the goodwill of the native merchant, and the latter is shrewdly quick at playing off one competitor against another, a decided impetus would be given to the German position at Bushire.

The experiments made by the firm of Wönckhaus and Company in shipping linseed, poppyseed, and other seeds to Europe is the more remarkable as the British firms and agencies in Bushire and Shiraz practically ignore the export of such produce. It is opined that the time has come for these exports to be pushed, and for British houses to institute a demand. The present scanty supply locally is largely the result of an absence of demand by prominent houses in Bushire. Castor-seeds can be obtained to the amount of, perhaps, 50 cwt. on the island of Bushire, and more in the neighbouring districts of Tangistan to a distance of some 25 miles, but a demand for even that quantity would at once induce cultivation. Linseed, poppyseed, lucern, gingelly, or sesame, are growing around Kazerun, on the main route 120 miles from Bushire; Behbahan, some 50 miles from the coast at Bunder Dilum and Shiraz, 180 miles from Bushire.

The chief necessity for the fostering of exports to the United Kingdom lies in the lack of quick and speedy transport from the Fars centres of cultivation to Bushire. The attention of the British Government might profitably, now the Russian Agreement has been arrived at, be directed to the promotion by English capital of the improvement of transport. Slight deviations from the present route might even permit, to a certain extent, of wheeled traffic. The proper surveillance of the 200 miles by any Transport Company would conduce, it is believed, in a large degree to the greater security of merchandize on the roads. The inherent lack of initiative by Persian merchants of the south, and mistrust of each other and their own Government, most emphatically debar foreign trade from waiting for the remedy to come from the native. There would seem to be no prospect of an improvement of existing caravan routes emanating from any third source save British or other foreign capital.

The German Legation had already in 1906 directed its attention to the fact that no Concessions were held on the southern road; the existence of a Transport Company, whether involving or not a Concession, would imply important commercial influence.

A reference to the comparative Table of Exports shows the relative importance to the Hamburg-Amerika Line of the sources from which cargo was taken in 1906-7.

PART II.—Ports other than Bushire.

Muscat.

The imports into Muscat are only remarkable for the 2,071 cases of arms and ammunition. Cases of arms average fifty pieces per case, and, as the ammunition is not estimated for but only rifles, the valuation may be somewhat excessive. The type

of weapon imported is believed to be Mannlicher, which has lately begun to make its appearance in the Bushire district, for a large portion of the cargo has presumably been brought over to the Persian coast, where the traffic in arms has greatly increased of late, being carried on with impunity in the very neighbourhood of Bushire. In this connection it is interesting to note that the Munshi of the German Consulate in Bushire is interested in the arms traffic, and has an agent at Muscat.

No information is to hand to show the nature or texture of the bales of piece-goods imported or their popularity *vis-à-vis* Manchester goods. Muscat is not a port of call for export cargo by the German vessels.

Bahrein.

Import cargo consists principally of coffee and vermicelli, matches, and piece-goods. Messrs. Wöneckhaus and Co. have now been established in the islands some years, and are considerable competitors of Messrs. Gray, Paul, and Co., the chief British house. Both these firms import Santos coffee. The German Steamer Company has, it is said, brought pressure to bear on certain exporters of vermicelli from Marseilles by threatening to shut out their cargoes in future unless all shipments were intrusted to themselves. The British Conference Lines rarely touch at Bahrein, and there is no choice in trade with Europe save between the Bombay Companies and the German line. Messrs. Wöneckhaus and Co. have undoubtedly profited, if the line has not, for they are large exporters of shells, and are now able to supply Hamburg by direct shipment.

A British merchant in Bahrein has given the following information:—

It is admitted by the agent of the line that the calls of their steamers at Bahrein do not pay; two vessels made special journeys to the islands from Bussorah bar and back, necessitating six extra days' steaming and some five days' delay, to land 87 tons of cargo and ship 330 tons, for which the freight money could not have exceeded 410*l*. The last eight vessels have imported 665 tons of cargo and exported 624 tons. Nevertheless, it is reported that special boats are being built for the trade with accommodation for pilgrims.

The German line has recently secured all the Austrian Lloyd's cargo, which has hitherto come via Bombay, and in some years has included a large quantity of sugar.

The firm of Wöneckhaus and Co., as agents of the line, has a very great advantage over Messrs. Gray, Paul and Co. in Bahrein, on account of an Agreement made by the line to carry all their goods at a reduced freight of 1*s*. per ton.

On the other hand, the German firm has only three regular clients, and most of the imported cargo has been brought on their own account.

Vermicelli.—The quantity imported by Messrs. Wöneckhaus and Co. is slightly inferior to that by Gray, Paul and Co. (which is also brought in the German steamers), but the quality of the former apparently does not find equal favour.

Coffee.—Wöneckhaus and Co. have imported a large quantity of late on their own account, but the quality of the Hamburg coffee is not liked so much as that from London, the former being artificially coloured. Two hundred and fifty bags have lately been advanced by the firm to masters of pearling boats on account of shells to be supplied next year.

Sugar.—Nearly all the sugar imported belonged to the English firm.

Pearls.—Messrs. Wöneckhaus intend, it is said, bringing out an expert in pearls next year, with a view to trading in them on their own account.

Shells.—During the last year the Germans have purchased about the same quantity as the English firm, but have allowed their native agents 20 per cent. commission, which it is doubtful if the price of shells can stand.

Bunder Abbas.

But 5,217 packages were landed during the year, of which 2,270 have been sulphur matches, the orders for which have, it is believed, originated without exception from Messrs. Forbes, Forbes and Co. of Kurrachee. Only one vessel called on the return voyage, and His Majesty's Consul remarked at the end of February that "the German line has not at this port proved hitherto a formidable rival to British shippers." He added that "with the advent of the German ships, local merchants became the recipients of sundry letters from the Deutsche-Orient Bank, of Hamburg, offering their services and facilities in the matter of trade relations with Northern Europe," but, so far as can be ascertained, these have had no other result except to create suspicion."

The trade of Bunder Abbas is largely in the hands of Hindu traders, who rely on Kurrachee and Bombay. There is no German agent of Messrs. R. Wöneckhaus and Co. in Bunder Abbas.

The value of imports from Germany to Bunder Abbas, as given in the Trade Reports, was:—

In 1905	£
In 1906-7	14,137
	28,549

Lingah.

Lingah trade has sunk rapidly since the Customs were taken over in 1902 by the Persian Department, and for inland trade there is practically no market beyond the small port itself. Lingah has lost its importance as a distributing centre for the coast of Oman, but the explanation of the large number of packages landed lies in the fact that the agency of Messrs. Wöneckhaus and Co. has made use of Lingah as the port for discharge of cargo for transshipment to Debai, where trade is reported to be growing in volume. Debai import trade is almost entirely done with India, and it is probable that direct communication with Europe means lower prices in some articles.

The imports represent orders obtained by the German agent of Messrs. Wöneckhaus and Co., who is making considerable show and, according to reports, boasts of the headway German trade is making at Lingah.

The firm has acquired the former Persian Customs premises, the best site on the quay, and has purchased two native craft to collect shells from the pearling-vessels.

There is no doubt but that this unexpected development of German trade in Lingah is greatly due to supineness on the part of the Persian agent of Messrs. Gray, Paul and Co. The latter firm have so far recognized this that they propose to send a more energetic Anglo-Indian representative to Lingah shortly.

It will be seen, as a sequel, whether the amount of sugar, macaroni, and coffee imported by the German agency has diminished or not next year.

So far no attempt has been made by Messrs. Wöneckhaus and Co. to establish a branch in Debai, where no European agent has yet resided.

As regards exports, the trade in shells has been a monopoly for the German firm at Lingah.

Ahwaz.

The number of packages imported by the first seven vessels does not, as detailed by His Majesty's Consul at Mohammerah, exceed 600.

PART III.—

There are certain points in connection with a review of German trade in the Gulf, which seem to call for special observation.

Perusal of the foregoing detailed information must render salient the fact that the German firm of Wöneckhaus and Co. are utilizing the German line for the export of their own purchases of grain to Germany. It is doubtful both whether the pecuniary interests of the shipping line will be promoted by this restricted policy, and still more so whether the use made of the line by the native exporters is sufficient to benefit the commercial interests of Germany.

On the contrary, it would seem that the Shipping Company has been deliberately deputed, at considerable cost to itself, to afford facilities to a single German firm, to create an interest in fact. The establishment of a branch at Bussorah and the institution of the steamer service were to a degree chronological. There was, perhaps, an understanding that the firm in question should, on its part, maintain and expend its agencies on the Persian shore, two of which cannot under existing conditions pay their way.

The comparatively modest figure cut by the German line in Persia should not lull the British Companies to any undue sense of security. The latter are already at a disadvantage in two points.

The irregularity of sailings needs alteration. Exporters at Bushire wishing to make, for example, September, October or November shipments can never be sure of an English vessel being available, and the mere uncertainty has, to our knowledge, before now thrown cargo into the arms of the German office. The English Companies—despite official representations made to Government—have not yet recognized the utility of printing sailing notices; it is a considerable impediment for exporters in Bushire not to know to the last moment by what ship and on what date their cargo will

be taken. This ignorance of the movements of the British vessels applies not only to traders, but to the very ships' agents.

It would not be difficult for the British firms to print cards, as the Germans have done, giving approximate dates of the return of their vessels from Bussorah; a certain number of such cards could be sent for distribution amongst the principal traders, and, though a rough guide, would not leave the would-be exporter in such doubt as at present. Further, regarding advertisements in general, the initiative has come from the German Company, who have lately spread broadcast over the town, even in the British Consulate itself, excellent maps of Persia and Arabia, and calendars giving the equivalent dates of the Persian and Roman calendars.

It would be unwise for London Companies to ignore the effect of such diligent courtship of the Persian trade.

Yet another source of constant complaint affecting British steamers, and to which their attention should be drawn, is their sacrifice of Bushire to the interests of Bussorah, that at times implies the shutting out of Bushire export cargo. To cite one instance, several hundred sacks of tobacco had been applied for and promised to a West Hartlepool steamer by the Russian Steam-ship Agency. The native agent of the line at Bussorah refused, however, to allow space for this cargo to Bushire, and succeeded in carrying his point, thereby disappointing the Russian agents and rendering the cargo liable to capture by the German line.

There exists yet another shipping question for which the attention of Government is asked and action of the British Companies urgently needed, in the landing of cargo at Bushire. If the Trade Reports of Bushire for some years past be referred to, constant complaints at the unsatisfactory state of the "Hammal Bashi," or landing contractor's arrangements will be noticed. Under the system hitherto existent a native Persian or Armenian has contracted with the principal merchants to effect the landing of merchandize at fixed rates, the contractor binding himself to hire a certain number of lighters for the purpose. The work must be prompt to satisfy the exigencies of the Indian mail-boats and London steamers; must often be done in boisterous weather, and with an inner anchorage 3 miles and an outer 9 miles from the quay.

The working of the system has lately become most unsatisfactory and more than once broken down, to the extreme detriment of trade, for the over-carriage of cargo to Bussorah results in the ultimate return of cargo in a usually damaged state.

The causes for this failure are several, but chief amongst them is the inability of the contractor to provide the necessary number of lighters and the growing insolence and independence of the boatmen owning and working the same, who will at times refuse to put off or to accept the Tariff rates.

This spirit is, in the opinion of residents of the town, becoming more nefarious each year. It is directly due to the fact that, whereas formerly the Governors farmed the Customs and had an interest in suppressing any friction with commerce, nowadays they are so far opposed to the Administration as to be the chiefest abettors of smuggling on the coast, and whereas formerly the bastinado was freely applied and imprisonment inflicted on malcontents, now intrigue and the scourge of informers, to whom the Assembly in Tehran sometimes too easily gives ear, and the fear of the misrepresentation of acts of public order as acts of oppression have effectually paralyzed any influence to check the boatmen.

There is one most patent reform necessary in the interests of British shipping and British trade: the Companies should jointly make a small outlay of 1,000*l.* to 2,000*l.* on the purchase of lighters. This has been again and again urged by agents of the lines, but the Companies have not seen fit to consider the matter. It is now, in support of the Shipping Companies' own interests, most strongly urged that the acquisition of some six or eight lighters, involving an expenditure of perhaps 100*l.* each, and, if possible, a small tug is eminently desirable. Not only will the difficulty as regards hired boats be overcome, but another danger avoided.

The German agents have felt the hampering influence of the present makeshift, and have openly spoken of instituting a lighter service as a commercial scheme of their own at Bushire, and their active promotion of German interests in the Gulf makes the forthcoming of the necessary outlay highly probable.

The establishment of a German lighter service at Bushire opens up a vista of disastrous consequences to the British Companies, and the latter must be first in the field. There are for the rest no indications that the outlay would not be amply covered by receipts.

Quite apart from German shipping and import trade, there exist considerations even more weighty in the guise of German institutions in the south of Persia.

The attitude of their pioneers now trading in the Gulf may be characterized as a tenacious intention to create interests, even at a pecuniary loss. Their Consul at Bushire is announced to return from Tehran by the Karun route, professedly with a mandate to study the possibilities of irrigation. It may well be apprehended that the report issuing to his Legation will be of such a nature as to induce in Tehran a powerful German intrigue for the granting of concessions, which, in view of the British schemes already mooted, could only be regarded as distinctly unpalatable to British interests in that region.

An equally imminent question is centred in the unsatisfactory and baleful influence of the Imperial Bank of Persia at Bushire over local finance.

For the last few years there has been a general complaint against the local branch of the Bank from both European and Persian merchants. It may safely be said that trade in Bushire works with the Bank against its will.

It has been stated that there is no room for a third bank (the German) in Tehran, and it may be that the Imperial Bank of Persia is sure of its own commanding position. It would be incorrect to say the same of its branch in Bushire.

There is possibly no other town in Persia where it would be easier for the German Bank to obtain a surer footing, and such is the feeling in the town against the methods of business of the British Bank that another banking institution, foreign or not, would be welcome. The causes are manifold.

Primarily the management in London is at fault for a policy and rules drawn up by a body unacquainted with the requirements of modern commercial competition in Persia.

The agency allotment at Bushire is quite inadequate for the amount of business passing through and transacted in the place: the agency itself is subordinate to that in Shiraz, an up-country town with an entirely distinct commercial atmosphere and unable to act independently. Sir George Mackenzie is said to have recognized the desirability of freeing Bushire from the trammels of Shiraz and allowing the former branch to extend its operations to Bahrein: desirability has with time become a need.

The difficulty in procuring cover is recognized by all, but no adequate reason has been adduced to show the necessity for the Bank to refuse Shiraz paper sometimes for periods of several weeks. There have been several spells during 1907 when the Bank has held up business in the town, where a great scarcity of money already reigned, by the stoppage of business with Shiraz: times when the Bank has said, "We are neither buying or selling." The independence of the agency would probably largely alleviate this evil.

Side by side with a lack of reciprocity, there exists an obstinate policy of avoiding the discounting of local promissory notes, a rule imposed in the early days of the Bank's establishment in consequence of heavy losses sustained by fraud: the necessary experience for true discrimination has now been bought and by not utilizing it the Imperial Bank of Persia is throwing the gate open for the remunerative establishment of another banking firm.

There are other branches of business in which merchants of repute, both British and native, complain of a lack of facilities.

The Imperial Bank of Persia at Bushire relies almost solely on exchange at present, and its rates are always far in advance of those in the Bazaar.

It would not be too much to say that a large part of the Bank's present custom arises not from the choice of the customer, but because the Bank has hitherto been able to dictate its own terms.

With a competitor institution the Imperial Bank of Persia could not live on exchange alone; the competitor would take advantage of the latter's rates to divert what now necessarily falls into its hands.

The threat of the establishment of a German bank is no light one; the Deutsche-Orient Bank has been quick in scattering its literature amongst the British firms in Bushire; Mr. Wönekhaus has chafed at the exorbitant demands and irregular workings of the English Bank.

Much could be done to render foreign competition impracticable, if the Imperial Bank will recognize the need of reform now while there is time: the Imperial Bank of Persia has been able to maintain itself successfully in Persia largely through the generous support of the British Government; this demand on its gratitude should not endanger the price of its shares.

The financial state of Southern Persia is very gloomy, and calls for the consolidation of British interests against foreign encroachment, if only to protect the British capital hung up in the country.

German commercial adventure in Southern Persia would not appear to point to immediate menace of British interests, provided that the several parties concerned can be induced and persuaded to see that, for their own safeguarding against the near future, certain precautions, reforms and desiderata are imperative, to wit:—

1. Reform in the local working of the Bank of Persia.
2. Lighterage from British steamers in British owned lighters.
3. Greater regularity in the sailings of British vessels from Persian waters.
4. Establishment of a British Company for transport over the great southern road.
5. More attention to export trade from Southern Persia viâ Bushire.
6. The forestalment of all German schemes of concessions in the valley of the Karun.
7. Close attention by those firms concerned to the tendencies of German development in the Gulf.
8. The pushing of British sugar and Indian indigo.

(Signed)

H. G. CHICK.

Bushire, November 4, 1907.

Annexes.

Table of Imports to Bushire.

Comparative Table of Imports to the Gulf.

Table of Exports from Bushire.

Comparative Table of Exports from the Persian ports.

Table No. 1.

COMPARATIVE Table of Imports to the Persian Gulf.

[illegible]

IMPORT into Bushire by Hamburg-Amerika Line 1906-7.

				Hamburg Cargo.		Antwerp Cargo.	
				Packages.	Approximate Value in Krans.	Packages.	Approximate Value in Krans.
Matches .. ..	..	..	..	Cases 1720	258,000	Cases ..	..
Indigo .. ..	..	..	..	Cases ..	..	Cases 358	358,000
Cotton goods in bales ..	..	..	..	Cases 77	96,250	Bales 171	213,750
Woollen goods .. ..	..	..	..	" 5	7,500	..	..
Velvet, plushes .. ..	..	..	..	" 58	116,000	..	..
Sugar in cases, loaf ..	..	..	..	" 720	39,600	Cases 1,600	88,000
" bags, soft .. ..	..	..	..	Bags 700	52,500	Bags 645	48,375
Liquors, whisky, wine ..	..	..	..	Cases 75	6,750	Cases 106	9,540
Beer .. ..	..	..	..	" 90	3,600	..	..
Cocoa .. ..	..	..	..	" 6	480	..	..
Drugs .. ..	..	..	..	" 120	18,000	..	..
Candles .. ..	..	..	..	..	..	Cases 800	24,000
Window glass .. ..	..	..	..	..	..	" 1,700	68,000
Glassware .. ..	..	..	..	Cases 28	11,200	" 239	95,600
Iron, brassware .. ..	..	..	..	" 30	750	..	..
Lampware .. ..	..	..	..	" 22	7,700	..	..
Sewing machines .. ..	..	..	..	" 25	12,500	..	..
Stationery .. ..	..	..	..	" 113	33,900	..	..
Paper in bundles .. ..	..	..	..	Bundles 73	10,950	..	..
Colours .. ..	..	..	..	..	3,000	..	..
Miscellaneous .. ..	..	..	..	Packages 113	..	Packages 69	..
Personal .. ..	..	..	..	" 113	..	..	..
				4,148	678,680 (£13,574)	5,688	905,265 (£18,105)

COMPARATIVE Table of Exports by Hamburg-Amerika Line from Persian Ports and Bahrein, September 1906-7.

	Bahrein.	Lingah.	Bunder Abbas.	Bushire.	Mohammerah.
Wheat	{ Bags 3,673 Tons 44
Barley	{ Bags 480 Tons in bulk 3,743
Gum— Insoluble	Bags 2,391	Bags 2,770
Tragacanth	{ Cases 67	Packages 1,090	Cases and bags 557	..
Shells— Mahar	{ Packages 12,432	Baskets 5,082	..	..	..
Mother-of-pearl		Cases 541	..	..	..
Linseed		Bags 96	..	Bags 400	Bags 700
Sesame	Bags 421
Cotton seed	Ton 1
Poppy seed	Bags 15	Bags 1,798	..
Cumin seed	Bags 54	..
Lucern seed	Bags 51	..	..
Tobacco	Bags 75	Bags 295	..
Opium	Chests 103	..
Dates	Baskets 12,967	..	..	Baskets 626	Boxes 43
Almonds	Bags 2	Bags 400	..
Raisins	Bags 46	..	Bags 1,619	..
Pistachios	Bags 3	..	..
Beans	Bags 105
Assafoetida	Cases 51	..	..	..
Wool, raw	Bales 45	..
Cotton, raw	Bales 80	..
Skins	Bale 1	..
Carpets	Bales 92	..
Miscellaneous	Packages 32	Packages 148	..	Packages 5	..

EXPORT Cargo by Hamburg-Amerika Liners from Bushire, September 1906 to September 1907.

	To Hamburg.		To London.		To New York.		To Antwerp.		To Marseilles.		To Constantinople, Port Said, Red Sea, Bussoorah, and Bagdad.	
	Packages.	Declared Value.	Packages.	Value.	Packages.	Value.	Packages.	Value.	Packages.	Value.	Packages.	Value.
Gum—	2,156	207,214	33	3,000	40	21,600	..	Krans.	202	14,140	..	Krans.
Insoluble	..	..	517	245,240	..	..	..	..	..	..	..	..
Tragacanth	1,649	55,540	..	..	..	..	..	..	..	..	..	..
Raisins	..	..	400	12,000	..	..	..	..	..	..	..	..
Almonds	..	..	69	211,500	..	..	..	..	..	..	..	..
Opium	..	..	..	..	..	..	34	204,000	..	..	..	..
Linseed	400	15,000	..	..	..	..	..	50,000	..	..	..	..
Poppy seed	3,000	3,000	..	..	..	..	Bags 1,624	..	..	..	..	..
Gummin seed	116	2,790	..	..	..	..	..	..	..	..	..	..
Tobacco	930	..	..	620	..	..	..	..	..	..	286	24,042
Dry dates	36	..	..	..	9	..	..	..	..	..	626	226
Wool	..	..	..	..	..	..	..	..	..	..	..	..
Cotton	45	8,400	..	..	..	..	..	..	..	..	..	..
Skins	80	5,000	..	..	..	..	..	..	..	..	..	..
Carpets and saddle bags	1	120	..	..	2	3,000	..	..	..	..	33	122,600
Socks	57	101,900	..	..	..	..	..	..	..	..	995	1,000
Planks	..	..	..	..	..	..	..	..	..	..	..	..
Stones (for building)	..	..	..	..	..	..	..	..	..	..	30,000	240
Total	4,388	396,964	1,019	501,740	51	25,220	1,658	254,000	206	15,140	945	148,108
At 50 krans — £1 ..	220	£7,939	..	£10,035	..	£504	..	£5,080	..	£303	..	£2,962

[41709]

No. 418.

India Office to Foreign Office.—(Received December 21.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 20th December, relative to the increase of the Ahwaz guard.

India Office, December 20, 1907.

Inclosure in No. 418.

Government of India to Mr. Morley.

(Telegraphic.) P. December 20, 1907.

CONSULAR guard, Ahwaz. Your telegram dated the 22nd ultimo.

Arrival of entire party, under charge of Lieutenant Wilson, without any difficulties being caused, was reported by Consul at Ahwaz on the 17th instant. Arrival is expected about the 24th instant of second officer, who is *en route*.

[41741]

No. 419.

Messrs. Ellinger and Co. to Foreign Office.—(Received December 21.)

Dear Sir, 28, Oxford Street, Manchester, December 20, 1907.

WE shall be obliged if you will kindly cancel our letter of the 19th October last relating to Ormuz oxide, as we are sending you herewith another letter in its place.

Yours faithfully,
(Signed) ELLINGER AND Co.

Messrs. Ellinger and Co. to Foreign Office.

(Private.)

Dear Sir, 28, Oxford Street, Manchester, December 20, 1907.

Haji Agha Mohamed Mouin-ut-Tujar, of Tehran and Bushire, some years ago obtained from the Shah's Government a Concession to exploit the Island of Ormuz, and he has now for some years systematically mined the red oxide of iron which is on the island in very considerable quantities, and the ore has been shipped to Europe and the States, where it enjoys great popularity under the various names of Gulf Red, Persian Red, Ormuz Red, &c. This oxide of iron produces a shade of colour which is always in demand, and which appears to be unobtainable otherwise than by the use of this oxide of iron.

The Mouin, having occasion to acquire for purposes of development of other interests in Persia a considerable amount of money in cash, has requested us, who have for many years cared for the sale of his oxide, and acted generally in this country as his agents, to so arrange that he is put in possession of a sum of 50,000*l.* in cash.

In order to effect this, we propose to register here a Limited Company, which will issue debentures for 50,000*l.*, bearing interest at 7 per cent. (or 1*1* per cent. if we can get them guaranteed by a financial institution), and repayable 31st December, 1919, and with a capital of 10,000*l.* preference shares to be subscribed and paid for by the Mouin and to serve as "working capital" in case of need, and 25,000*l.* ordinary shares fully paid up.

The Company would buy from the Mouin all the oxide on the Island of Ormuz, which the Mouin would undertake to put free on board at Ormuz as hitherto done by him. The Mouin to receive in payment 50,000*l.* cash and all the ordinary shares.

We are to act as Managing Directors of the Company with two seats on the Board, and to receive 2*s.* 6*d.* per ton on all oxide sold as remuneration for our services and use of clerical staff and offices for ordinary purposes of the Company.

The trustees for the debenture-holders to have either a majority on the Board or veto as to transfer of ordinary shares.

We are to receive from the Mouin 10 per cent. of the purchase money in cash and shares as received by the Mouin.

Out of the annual profits after payment of the interest on the debentures, 5,000*l.* to be appropriated to a debenture security fund before payment of a dividend on the preference or ordinary shares.

The oxide sold by us on behalf of the Mouin during the last six years has realized as follows:—

					£
1902.	4,000 tons at 1 <i>l.</i> 7 <i>s.</i> 6 <i>d.</i> , less commission	..	..	..	5,225
1903.	5,765 " " 1 <i>l.</i> 7 <i>s.</i> 6 <i>d.</i>, "	..	..	..	7,531
1904.	6,000 " " 1 <i>l.</i> 12 <i>s.</i> 6 <i>d.</i>, "	..	..	..	9,120
1905.	6,000 " " 1 <i>l.</i> 15 <i>s.</i> 6 <i>d.</i>, "	..	..	..	10,118
1906.	8,000 " " 2 <i>l.</i> 2 <i>s.</i> 6 <i>d.</i>, "	..	..	..	16,150
1907.	8,000 " " 2 <i>l.</i> 2 <i>s.</i> 6 <i>d.</i>, "	..	..	..	16,150
					<hr/> 64,294

Equal to an average for the six years of 10,715*l.*, or more than sufficient to pay three times the amount of 3,500*l.* required annually for the interest on the 50,000*l.* debentures even at 7 per cent.

The above figures show the steady progress of the business as the oxide has become better known to and appreciated by the trade. The purchase price is not to be paid to the Mouin until satisfactory reports are obtained by expert engineers as to the quantity of oxide on the island being amply sufficient to secure the debentures.

On these or similar lines we anticipate no difficulty in getting the necessary funds from our friends, provided we can obtain from you the assurances which would be deemed requisite for the adequate protection of the property proposed to be secured, and these assurances would in our opinion require to be of the following nature:—

1. That, so far as His Majesty's Government are aware, the Concession to the Mouin is in perpetuity. The Firman and Rescript confirming it have been seen at the British Legation at Tehran.

2. That, whatever happens as between the Mouin and the Persian Government in respect of the future of the Concessions, His Majesty's Government will see that every possible effort is made to prevent interference with the rights secured to the Company by their Agreement with the Mouin under his Concession, and to see that the rights and interests of the debenture-holders are respected.

3. That His Majesty's Government will unofficially do all they can in case of need to bring pressure to bear upon the Mouin or his successors to carry out his obligations under this contract.

4. That the Legation at Tehran shall be desired to watch the interests of the debenture-holders generally, and shall permit the Company to employ Abbas Khuli Khan, C.M.G., Oriental Secretary to the British Legation at Tehran, and a British subject, to communicate from time to time to the trustees of the debenture-holders anything which may come to his knowledge affecting the person or property of the Mouin in such a manner as to prevent or be likely to prevent him from carrying out his obligations to the Company.

5. That His Majesty's Consul at Bunder Abbas shall also be requested to watch the interests of the debenture-holders generally, and to give all possible assistance to the Company's agent at Bunder Abbas. The agent's duty will be to report to the trustees of the debenture-holders from time to time the progress of mining by the Mouin, and, in case of need, to engage men on their behalf to do the mining or otherwise to take such steps as may reasonably be required for the protection of their interests.

In view of the special interests which we understand you have in seeing this or a similar scheme successfully carried through, independently of the interest you always take in the enterprise of British subjects, we trust you may see your way to give the assurances asked for above, provided the character and nationality of the debenture-holders, whose trustees are to have either a majority on the Board or veto on the transfer of the ordinary shares, are established to the satisfaction of His Majesty's Government, in order to enable us to lay the matter before our friends.

In conclusion we may add that we have been in business connection with the Mouin for a period of over twenty years, during which time we have always found him extremely capable and a man of undoubted integrity. We have personally every confidence in his fulfilling any obligations he may undertake.

We have of recent years always been periodically hampered in our transactions with the Mouin by the offers made by subjects and even the Legations of foreign Powers to purchase the oxide at values far in excess of the commercial value of the oxide. We think that under the proposed arrangement this continual political intrigue, under a commercial cloak, would cease, and our position as regards our commercial and financial relationships with the Mouin would be consolidated.

We are of opinion that the arrangement would be of considerable advantage to the Mouin, as it would secure to him, through the debenture-holders, British protection of his property and further British protection of his ordinary shares in a British Company.

We also venture to think that the proposed scheme would be greatly to the advantage of His Majesty's Government, who would acquire an unassailable right to protect the property of English subjects on the Island of Ormuz.

It is clearly understood that any reply with which you may favour us will be considered as strictly private and confidential, and will only be exhibited to such names as you may approve.

We shall be glad to hear from you at your early convenience, and meanwhile remain, &c.

(Signed) ELLINGER AND Co.

[41773]

No. 420.

Sir N. O'Connor to Sir Edward Grey.—(Received December 21.)

(No. 171.)

(Telegraphic.) P.

Constantinople, December 21, 1907.

TURCO-PERSIAN frontier. Persian punitive expedition. Mr. Marling's telegram No. 400 of the 20th instant.

It is to be feared that unless the Persian Government exercise great caution their action may lead to a counter-move on the part of the Turks, resulting in further complications.

M. Zinovieff has also telegraphed in this sense to his Government and to Tehran.

According to the Grand Vizier the Minister of War has sent instructions to the Turkish officers on the frontier to be most careful to do nothing that would affect the *status quo*, and to refuse to entertain the Petitions to be taken under Turkish jurisdiction which are sent by Kurdish tribes in the district of Soujboulak.

[41727]

No. 421.

Mr. Marling to Sir Edward Grey.—(Received December 21.)

(No. 401.)

(Telegraphic.) P.

Tehran, December 21, 1907.

M. MORNARD, present Administrator of Customs, is being intrigued against by M. Priem, who wishes to obtain his place.

Former does not interfere in political questions, and is fairly satisfactory and friendly.

Priem is corrupt and ambitious, largely under German influence, and would act solely in interests of Court. For him to replace Mornard would therefore be most undesirable.

Belgian Government has already been warned against the appointment by their Chargé d'Affaires here, who hopes he will be supported at Brussels by us.

Above is very confidential.

[41764]

No. 422.

Mr. Marling to Sir Edward Grey.—(Received December 21.)

(No. 402.)

(Telegraphic.) P.

Tehran, December 21, 1907.

SHIPS for Persian Government.

My telegram No. 365 of the 9th instant.

Administrator of Customs privately asks me to ascertain whether Admiralty have

[1549]

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a suitable vessel for sale, as Government of India have said they have no ship to replace "Persepolis."

He understands perfectly that as long as the interest on our loan remains unpaid we are liable to block the proposal.

[41765] No. 423.

Mr. Marling to Sir Edward Grey.—(Received December 21.)

(No. 403.)

(Telegraphic.) P.

Tehran, December 21, 1907.

CONSUL at Shiraz reports that the situation (see my telegram No. 397 of the 19th instant) is calmer; that, if the position gets no worse in the next few days, the sowars will leave.

[41766] No. 424.

Mr. Marling to Sir Edward Grey.—(Received December 21.)

(No. 404.)

(Telegraphic.) P.

Tehran, December 21, 1907.

I HAD invoked the good offices of the French Minister and acquainted him with the situation described in my telegram No. 398 of the 19th instant. As a result of the French Minister having successfully urged on M. de Hartwig how important it was that the accord between the British and Russian Legations should be preserved, the latter invited me to consult with him as to what steps we should take, and proposed that the French Minister should be called in to assist us. This afternoon we met at the French Legation and decided on the following action, more than which I do not think it would have been possible to induce the Russian Minister to do, and it is due to the invaluable assistance of the French Minister that so much has been obtained:

1. That with a view to obtaining from the Shah assurances that he will work with Parliament for the welfare of the country, and that he has no intention of abolishing the constitutional régime, we should make a joint representation to His Majesty to-morrow.

2. That in order to restore confidence between the Sovereign and the Parliament, we should inform the Assembly of our having obtained these assurances.

3. That we should warn the Zil-es-Sultan that we cannot tolerate his designs on the throne, as we have recognized the Valiahd as Heir-Apparent.

We hope that as it will now be the duty of the two Legations to see that the Shah observes his pledges to the people, the latter will be reassured of the safety of constitutional government. We have also had in view the importance of excluding German interference, intentions of which have been very manifest.

The Russian Minister fears an attempt will be made on the Shah's life. I think it is not impossible. The position seems most critical. Even here there is a strong movement, supported by Zil-es-Sultan, on foot to dethrone the Shah. Yesterday, telegrams similar to that from the Tabreez Anjuman were received in Tehran from many other towns.

[41546] No. 425.

Sir Edward Grey to Sir A. Nicolson.

(No. 354.)

(Telegraphic.) P.

Foreign Office, December 21, 1907.

SITUATION in Tehran.

With reference to Mr. Marling's telegram No. 398 of the 19th December.

We are most anxious to avoid breakdown of Anglo-Russian co-operation in Tehran, and Baron von Richthofen's recent activity renders this all the more important.

I request that your Excellency will convey substance of above telegram to Minister for Foreign Affairs, and inform him that Mr. Marling is being instructed to approach

the Shah by himself immediately, with representations in the sense both of that originally agreed upon between the two Legations, and of Mr. Marling's further suggestion. You should express to M. Isvolsky our hope that M. de Hartwig may receive instructions to make similar representations to the Shah.

[41546] No. 426.

Sir Edward Grey to Mr. Marling.

(No. 206.)

(Telegraphic.) P.

Foreign Office, December 21, 1907.

SITUATION in Persia.

A representation on the lines proposed in your telegram No. 398 of the 21st December should be made by you separately to the Shah, and your Russian colleague should be informed that your action is taken under instructions.

His Majesty's Representative at St. Petersburg is being instructed to press the Minister for Foreign Affairs to instruct your Russian colleague to make similar representations.

It will be preferable in future not to make joint communications but separate ones, after arriving at an agreement with the Russian Minister, and in case of such agreement proving unfeasible, you should, unless the matter is urgent, refer to me for instructions.

[41770] No. 427.

Sir A. Nicolson to Sir Edward Grey.—(Received December 22.)

(No. 266.)

(Telegraphic.) P.

St. Petersburg, December 22, 1907.

WITH reference to Mr. Marling's telegram No. 404 of the 21st instant.

In regard to Persian affairs, a Report has been received by the Minister for Foreign Affairs from the Russian Minister at Tehran as to the joint steps which were to be taken to-day by him and Mr. Marling. Their action seemed reasonable, in M. Isvolsky's opinion. The urgency of the situation, which did not permit of the two Representatives applying for instructions to their Governments, was explained by the Russian Minister. The results of the steps taken will now be awaited by M. Isvolsky. According to a telegram from M. de Hartwig, Zil-es-Sultan had been requested to go abroad for a time by the Shah, but had declared himself unable to start for ten days, saying that he was under British protection on being told that he should leave at once. I thought that some time ago his transfer to the care of the Russian Legation had been arranged.

The Shah had, M. Isvolsky said, been frequently appealing for assistance to the Russian Legation, but they had maintained a policy of strict non-interference. The question of asylum being granted to the Shah in some foreign Legation in case of urgent need and of his being protected there by Russian and British guards has, at the same time, formed the subject of telegraphic communication from M. Isvolsky to the Russian Ambassador in London.

I have informed His Majesty's Representative at Tehran of the above.

[41767] No. 428.

Mr. Marling to Sir Edward Grey.—(Received December 22.)

(No. 405.)

(Telegraphic.) P.

Tehran, December 22, 1907.

RUSSIAN Minister is now acting cordially with me, thanks to assistance of French Minister and to logic of events.

M. de Hartwig and I have just come back from the Palace. He laid the situation before the Shah with the utmost frankness, and the strongest assurances that he would respect and uphold the Constitution were given us by His Majesty.

Steps are now being taken by us to let the Constitutionals understand that it is incumbent upon the two Legations to see that the Shah observes the pledges he has given us.

Reference is to your telegram No. 206 of yesterday.

[41768]

No. 429.

Mr. Marling to Sir Edward Grey. — (Received December 22.)

(No. 406.)

(Telegraphic.) P.

Tehran, December 22, 1907.

MY telegram No. 401 of yesterday.

Appointment of M. Priem as Financial Adviser is being suggested by German Chargé d'Affaires.

I am informed by French Minister that French Finance Department is making difficulties about M. Bizot's contract, and that a new draft contract is being forwarded here by post. In view of the great difficulties which had to be overcome in getting the Assembly to accept the original contract, it would be highly dangerous, and might open the door to German influence, were time lost in a repetition of the process, which action of German Chargé d'Affaires has rendered still more difficult.

Representations to French Government to accept contract in its present form would, I venture to suggest, be advisable.

[41769]

No. 430.

Mr. Marling to Sir Edward Grey. — (Received December 22.)

(No. 407.)

(Telegraphic.) P.

Tehran, December 22, 1907.

SHAH has received in audience German Chargé d'Affaires, who went to congratulate His Majesty on decision to work with the Assembly. It is quite on the cards that his attempts to play a political rôle on an equal footing with Russia and England may result in our joint efforts for pacification being compromised. For instance, he may endeavour to induce President of Assembly to insist on his being present when pledges received this morning from Shah are communicated by Russian Minister and myself. It would be impossible for us to agree to this.

Good effect promises to result from our joint action.

Reports in above sense are being telegraphed by French and Russian Ministers to their Governments, and latter is requesting that a check should be put from Berlin on mischievous German activity here.

[41802]

No. 431.

Mr. Marling to Sir Edward Grey. — (Received December 23.)

(No. 253.)

Sir,

Tehran, November 19, 1907.

I HAVE the honour to transmit herewith copy of a despatch received yesterday from Mr. Consul-General Wratislaw, in which he gives an interesting account of the situation in the districts near Urumia now in the occupation of Turkish troops.

The arguments which Taher Pasha advances in justification of the Turkish claim to the occupied territory are of the flimsiest character, and sometimes even self-destructive, and it is to be feared that, unless the Turkish Commissioners are able to produce something more satisfactory, it will be difficult for the Joint Commission to find a basis for discussion of the rights of the case.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure in No. 431.

Consul-General Wratislaw to Mr. Marling.

(No. 25.)

Sir,

Urmi, October 25, 1907.

I HAVE fully reported by telegraph the action I have taken, in accordance with my instructions since reaching Urmi a month ago, and I have now the honour to submit some further remarks on the general situation created in this district by the Turkish forward movement along the frontier.

The sentiments of the various classes of the population regarding the advance of

[41786]

[No. 430*.]

Sir Edward Grey to Mr. Marling.

(No. 207.)

(Telegraphic.) P.

Foreign Office, December 22, 1907.

WE have been approached by Russian Government as to the desirability, in order to terminate Zil-es-Sultan's intrigues to secure the Throne, of threatening that protection of Russian and British Governments shall in future be withheld.

His Majesty's Government have concurred in this view, and as soon as you are approached by your Russian colleague in the matter, you should accordingly act in concert with him to this end.

[1519]

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the Turks vary according to the different interests involved. The land-owners—at least, those of them whose property has been annexed by the Turks or runs risk of annexation—are, of course, highly indignant; so are the leading men in general, both Government officials, ecclesiastics, and those who directly or indirectly took part in Majd-es-Sultaneh's unfortunate expedition and lost valuable property in the *débâcle*. All the representatives of these classes with whom I have come in contact have earnestly impressed on me that it is the obvious duty of Great Britain to turn the Turks out of the districts they have annexed, on the ground that the trouble arose through the Persian Government finally yielding to the demand of Great Britain and the United States that the murderers of Mr. Labaree should be punished.

The lower classes in the town seem indifferent. They have little idea of patriotism, and are not as yet affected by the changed conditions, though the cutting off of the corn supply from Tergavar and elsewhere may eventually have its effect.

The inhabitants of the Persian villages are well-disposed towards the Turks, both on account of the decreased taxes which the latter have hitherto exacted on occupation, and through the vast change for the better in the general state of security which has been evident since the Turks took over the Kurds. With the exception of a few days' carnival immediately after the defeat of Majd-es-Sultaneh, the Kurds have been kept in the strictest order, a most pleasing contrast to the daily robberies and murders they committed under the Persian régime in the defenceless villages adjoining the districts inhabited by them. Several villages in Baradost were occupied on the invitation of the inhabitants themselves, and three weeks ago the people of Askerabad, a large and prosperous village well outside Baradost, begged the Turks to come and take them over. The invitation has not yet been accepted.

On the other hand, the Christian villagers, who form a very small proportion of the population, have no desire to change the Persian for the Turkish yoke. While acknowledging the greater security they now enjoy, they feel that they have been better treated on the whole by the Persians than their co-religionists the other side of the frontier by the Turks.

The case of the inhabitants of Balulan, Mawana, and Korana, three Nestorian villages in the north of Tergavar, is an exceptional one. The day after the retirement of Majd-es-Sultaneh's expedition they were attacked by the Kurds, and with few exceptions stampeded into Urmi, leaving their houses to be plundered, which was done most effectually. They were taken in and provided for by the Russian Vice-Consul, to the number of nearly 2,000, and though some have dispersed into other Nestorian villages and a few have returned to Tergavar, the majority are still maintained at the charges of the Russian Government. Those few who remained in their villages or subsequently returned to them are well treated by the Turks, but the latter have been unable to persuade the mass of the refugees to follow their example. At first the invitation to return was accompanied by the condition that they should accept Ottoman nationality, but latterly this stipulation was waived, and they were assured that after gathering their crops they could again retire to Urmi should they desire to do so. The Russian Vice-Consul left them free to accept or refuse, but they finally decided to remain in Urmi, and their crops have either rotted on the ground or been gathered by strangers, while nothing has been sown for next year.

In this connection the Russians find themselves in a position of considerable awkwardness. Shortly before Majd-es-Sultaneh's expedition the Salar-el-Agram, who nominally owns most of Tergavar, leased his property to a certain Russian named Orlof, who for the last twenty years has been Instructor of Persian Co-sacks at Tehran. It is understood locally that the Russian Bank is behind this gentleman, but the Russian Vice-Consul assures me that this is not the case. Anyhow, owing to the Turkish occupation, he is unable to take over the property or even to visit it. The Russian Government has recognised the claims to Russian protection of the Christians of Tergavar as tenants of a Russian subject and is dealing very generously by them, but its prestige has undoubtedly suffered in the eyes of the population by its apparently passive attitude while Russian property is occupied by the Turks. On my arrival in Urmi a deputation of Tergavar Christians called on me and asked for advice. I replied that, considering the great obligations they were under to the Russian Vice-Consul, they should consult him rather than me.

With regard to the Turkish occupation, it is complete and effective throughout the whole of the districts of Mergavar and Tergavar. In Baradost only the extreme west is permanently held, but all villages of any importance have been visited by zaptiehs or soldiers, who have returned to their head-quarters at Ghengetchin after collecting taxes and warning the inhabitants that they were henceforward Ottoman subjects. The number

of the Turkish troops this side of the frontier is, indeed, too small to allow of a garrison being placed in every village, even were such a precaution necessary to keep the Persian authorities at a distance.

I am still not quite certain whether the Turks have taken formal possession of the town of Ushnu or not, but I am inclined to believe that they have, as all reports from that district agree on this point. In any case, a large section of the inhabitants of the district, who are all Kurds, have declared their wish to be received into the Turkish fold, and have to all appearances cast off the rather nominal control which the Persian Government hitherto exercised. While denying that any troops had gone to Ushnu, Taher Pasha was careful to inform me that Ushnu was Turkish territory, and would be occupied if it appeared advisable to do so. On the other hand, the Ushnu Kurds do not appear to be unanimous in the desire to become Turkish subjects, and recent reports state that the inhabitants furthest from the frontier have declared their intention to resist a Turkish advance. It is extremely unlikely that they would actually venture to do so.

I have found Taher Pasha, as indeed all the Turkish officers whom I met in Tergavar and Baradost, extremely pleasant to deal with. He has made no attempt, as he might have done, to question my right to lecture him and point out the error of his ways. He appears, in fact, to accept me as an unofficial member of the Frontier Commission. At first, indeed, he and the other officers seemed under the impression that we were on their side, on the assumption, I suppose, that England and Russia must inevitably be in opposite camps. I have done my best to convince him that, as a mediating Power and a friend to both parties, we simply desired to see justice done, and considered that the Turks had put themselves in the wrong by taking forcible possession of districts which had hitherto been held by Persia, and by not putting forward any claims they might have by the ordinary diplomatic channels. I warned him that the situation was graver than he appeared to think, and might at any moment become critical, and that he would render true service to his Sultan by representing matters to His Majesty in a proper light, and that, by recommending him to retrace a false step on his own initiative, he might possibly spare him the humiliation of doing so under compulsion.

I fear that I only succeeded in rendering the Pasha personally uneasy, for he replied that he was only a humble functionary, whose duty it was to carry out his instructions, not to criticize them, and that unasked-for interference in matters outside his competence would lead to no other result than his dismissal. On the same ground he declined to eliminate from his *dossier* the map of Dervish Pasha.

From my conversations with Taher Pasha I gathered that the following will be amongst the arguments he will put forward in order to justify the Turkish advance:—

First, that the Persian Government have never effectively occupied and administered Mergavar, Tergavar, Baradost, Ishnu, or Somai. There is some slight truth in this allegation, for in none of the above districts has any Persian garrison been permanently stationed, nor has there been any outward and visible sign of a proper administration beyond that of local Kurdish Chiefs, who in some cases, *e.g.*, Ushnu, where a Kurd was appointed Governor, and Ambi (Tergavar), where Gurghin Beg holds the rank of Colonel in the Persian army, have represented the Shah. Taxes have, as is usual in this part at least of Persia, been paid by the landlords of the villages out of their share of the produce, the inhabitants contributing little or nothing directly to the State. The interference of the Persian Government took the shape of occasional punitive expeditions—for example, that against Jater Agha (Somai) in 1904 and Majd-es-Sultaneh this year. If, however, this argument tells against the Persians, it is a still more forcible reply to the claim of the Turks themselves, for they have never even sent a punitive expedition, nor taken taxes, even indirectly, until their present advance began.

Secondly, that, owing to Persian neglect, the frontier districts were in a state of anarchy, thus affording a refuge to criminals from Turkey whom the Persian Government consistently refused to give up, and allowing their inhabitants to cross over into Turkey and plunder Turkish subjects. This is a true count, but the Turks do not keep their own Kurds in such order that they can throw stones at the Persians, and their territory, too, affords an asylum to criminal refugees from Persia.

Thirdly, that the Sunni Turks cannot allow Sunni Kurds to be oppressed by Shia Persians. This argument, on which Taher Pasha did not lay much stress in my hearing, rather contradicts the assertion that the Persian Government has neglected to assert its rights over the districts in question.

Fourthly, Taher Pasha declares that he holds old title-deeds, dating from the time of Sheikh Obeidullah (who led the Kurdish invasion of 1880) and before, and proving

that at least parts of the districts now occupied by Turkish troops were once owned by proprietors of Ottoman nationality. Even if I had been shown these title-deeds, I could hardly pronounce as to their authenticity or validity, but Turkish subjects might very well hold real property in Persia, as Russian subjects now do, without making such property Turkish territory. It is a fact that Sheikh Obeidullah did own several villages in Mergavar, which the then Shah confiscated as a punishment for his invasion, without, so far as I know, any protest from the Turkish Government. I reported in my despatch No. 52 of the 9th December, 1905, the claim advanced by Sheikh Obeidullah's successor, Sheikh Sadik, to these villages, which claim has now passed to the present Sheikh Taher. Taher Pasha also informed me that Ghengetchin also belonged to Sheikh Taher.

Fifthly, Dervish Pasha's map, on which it is hardly necessary for me to comment.

It is obvious that behind this very flimsy case is the consciousness of superior force. The Turks know that the Persian Government is too miserably feeble to strike a blow in its own behalf, and they are convinced that England is too little interested and Russia too preoccupied with her own affairs to interfere forcibly to help Persia. Though Taher Pasha assured me, not, I fear, without hypocrisy, that he would not advise the retention of an inch of territory to which the rights of the Sultan could not be clearly established, there seems little chance of the Turco-Persian Frontier Commission arriving unaided at anything but a negative result.

At present Taher Pasha is at Bashkaleh, in Turkey, waiting for the arrival of his colleagues, who are understood to be close at hand. The Persian Commissioners have not yet left Tehran, and it is unlikely that the Commission will meet within a month after they do start.

I have, &c.
(Signed) A. C. WRATISLAW.

[41803]

No. 432.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 254.)

Sir,

Tehran, November 25, 1907.

THE Report which I received by post from Mr. Grahame showed the situation in Shiraz to have been so far more serious than his telegraphic messages had led me to believe, that I at once wrote to the Prime Minister privately on the subject. I called his attention to the danger to which British lives and property had been exposed, and pointed out the urgent necessity that Ala-ed-Dowleh, the newly-appointed Governor, should at once proceed to his post, so as to prevent the recurrence of such a situation; and I asked his Excellency to give me an interview as soon as possible. Owing, however, to the Cabinet crisis, I was unable to see his Excellency until to-day, though he sent me a letter saying that the Government were doing all they could to restore order in Shiraz.

This morning I found Naser-ul-Mulk so preoccupied with the situation in Tehran—on which I have reported in another despatch—that it was difficult to bring him to the question of Shiraz affairs, but at length he said that he hoped Ala-ed-Dowleh would leave in a day or two. The new Governor was most unwilling to go, and had only consented to do so on condition of having a free hand. He would take with him Kavam-ul-Mulk, and would have authority, if he thought it necessary, to raise a force of irregular cavalry from the Bakhtiari as he passed through Ispahan and from the local tribes of Fars. I told his Excellency that the experiment of allowing Kavam-ul-Mulk to return to Fars was full of danger, and that if my appreciation of the situation there was correct the real remedy was to remove him and Motamin-i-Divan with some two or three others from Shiraz altogether, and let it be known that they would not be allowed to return. His Excellency did not deny that this would be the best course, but allowed me to understand that the Government did not feel strong enough to adopt it. I said it was much to be regretted, but that bad as this was the idea of trying to restore order by means of the wild tribesmen was worse. The men were utterly undisciplined, and probably, even if officered by their own Chiefs, could not be restrained from every kind of excess. I thought the Persian Government were running the gravest risks of seeing all the districts round Shiraz pillaged and laid waste, and I must deprecate the proposal in the most earnest manner that I could.

His Excellency seemed to be impressed by my remarks, and I do not believe that the experiment will be made, but that it should have ever been entertained is an alarming confession of the impotence and incapacity of the Government.

I have, &c.

(Signed) CHARLES M. MARLING.

P.S. November 30.—I have since been told by the Minister for Foreign Affairs that Ala-ed-Dowleh has after all refused to proceed to Shiraz, but the Government hope even now to induce him to reconsider his decision.

C. M. M.

[41804]

No. 433.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 251 A.)

Sir,

Tehran, November 25, 1907.

WITH reference to my telegrams Nos. 332 and 333 of the 6th and 8th instant, I have the honour to transmit herewith extracts from the diary of His Majesty's Consul-General at Meshed, giving an account of the recent Turcoman raids into Mazinderan and Khorassan, and even as far as Mazinan and Miz Haidan, on the Meshed-Tehran road. Captain Battye gives a graphic report of a thoroughly characteristic meeting of Persian officials in face of an emergency.

Naser-ul-Mulk informed me very confidentially yesterday that the Government had received a telegram from one of the local Chiefs near Kuchan, stating that he had seen a letter from the Shah urging the Turcomans to continue their depredations. The Prime Minister entertained no doubt whatever of the truth of the statement.

There are considerable numbers of Russian subjects in the districts nearer the frontier, and particularly in the neighbourhood of Sabzawar, and their situation has become so critical that the Russian Legation has twice addressed official warnings to the Persian Government that it may become necessary to send Russian troops across the frontier to protect them. I presume that, in justification of such action, the Russian Legation would appeal to the terms of the Secret Treaty of 1881 (Confidential print Asia, January to March, 1887, p. 110).

With considerable difficulty the Persian Government have at last succeeded in persuading Sipahdar to take command of the operations against the Turcomans, but his Excellency is proceeding to the scene of his future activities with the greatest deliberation, and on the 22nd had only reached Resht, whence he will proceed by sea to Bender-i-Gez. A certain quantity of rifles and ammunition is being dispatched hence to Astrabad, and a force of infantry from the Khorassan army is said to be on its way to that place.

I have, &c.

(Signed) CHARLES M. MARLING.

Inclosure in No. 433.

Extract from the Diary of His Majesty's Consul-General at Meshed.

The Turcoman Raid.

November 7th.—From further information received, it appears that the Turcomans first showed themselves at Shafiabad, in Juvain, where they killed 83 men, themselves receiving 10 casualties in killed and wounded. They then attacked the copper mines near Miandasht, where they killed 7 men and captured about 50 women and many sheep. They then spread, and raided Miandasht, Abbasabad, Mazinan, Miaomai, Nardin, Daragez, and Faramin. At the two latter places they captured seventy-one persons. All these places are on or near the Tehran-Meshed road. They are now encamped in tents, with banners flying at the above places. Their numbers have been variously estimated, but from a comparison of the various telegraphic reports there appear to be about 1,000 or more.

It is reported, further, that they have killed 100 and captured 200 "sarbazes,"

who were on the march under the Muzuffer-i-Nizam, on transfer from Meshed to Tehran. This is probably exaggerated.

They have raided also in Bujnurd, and the Shuja-ul-Mumalik, Acting Governor, has reported that he has defeated them and killed thirty, whose heads he is sending into Meshed.

Hitherto very little has been done to punish and oust the Turcoman. The local Medjliss held a special sitting, which the Shaukat-ud-Dole, Timuri Chief, the Shuja-ul-Mumalik, Hazara Chief, and the Lashkar-navis-bashi, Accountant-General of the army of Khorassan, were called on to attend.

The Shaukat-ud-Dole said he was quite ready to give good advice, but could supply no sowars unless Government were prepared to find the necessary money. The Shuja-ul-Mulk quoted poetry, and said that he and his brother had been robbed by an oppressive Government, and now not a single Hazara sowar ever remained. If, however, Government would find the funds, he and his brother could together raise 200 men.

The Lashkar-navis-bashi said that there were plenty of men, but no money. He added pathetically that of course many of these men existed only on paper, and of those that did actually exist many had withered hearts, and so could go on service only if the special grace of God were to descend upon them.

Finally the Medjliss resolved that the Government should be called upon to furnish these Chiefs with the necessary funds, and that then the latter should give an undertaking to produce the fully-equipped sowars. A letter was accordingly sent to the Governor-General instructing him to find the money required.

Meanwhile the Ruku-ud-Dole had been receiving urgent telegrams from Tehran pressing him to take action. He also wired repeatedly to the Shah in person, asking for help and instructions, but failed to elicit any reply. Then he held a long consultation with the Vizier and the Salar-ul-Mukurram, the result of which was that they proceeded in a body to the store-rooms and took out a considerable quantity of rifle ammunition for dispatch to the Governor of Sabzawar. It is reported, however, that no rifles were sent, as these had all been previously removed by the Asaf-ud-Dole and the Muzuffer-ul-Nizam and sold for their private profit. Further, two guns have been ordered from Meshed to Sabzawar, and 500 of the Kerai regiment (infantry) from Turbat-i-Haidari. One hundred cavalry have also been ordered from the latter place, but it is doubtful whether these will be forthcoming.

[41805]

No. 434.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 255.)

Sir,

Tehran, November 27, 1907.

I HAVE the honour to report that the Dutch Minister has obtained the consent of the Persian Government to the appointment of a Dutch Consular officer at Ahwaz.

I have, &c.

(Signed) CHARLES M. MARLING.

[41806]

No. 435.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 256.)

Sir,

Tehran, November 27, 1907.

IN continuation of my despatch No. 237 of the 1st instant, I have the honour to report that within three days after the messenger left I learnt that, notwithstanding all the assurances I had received, Seif-ed-Dowleh was about to be reappointed to the Governorship of Kermanshah.

I at once requested Abbas Kuli Khan to speak again to Mushir-ed-Dowleh on the subject, and to warn his Excellency against so flagrant a breach of good faith towards the Legation. His Excellency promised to do his best to prevent the appointment, and since then I have heard no more of talk of his being allowed to return.

I have learnt on absolutely trustworthy authority that Seif-ed-Dowleh tried to

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borrow 25,000 tomans from the Imperial Bank of Persia, which would, of course, have been used as "pishkesh" to obtain the appointment.

I have, &c.
(Signed) CHARLES M. MARLING.

[41807]

No. 436.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 257.)

Sir,

Tehran, November 30, 1907.

AS I had the honour to report in my telegram No. 342 of the 15th instant, I received on that date a visit from Murtaza Kuli Khan, son of Samsam-es-Saltaneh, Ilkhani of the Bakhtiari tribes, accompanied by two other Bakhtiari Khans, Suja-es-Sultan and Bahadur-ed-Dowleh, both of whom reside normally in Tehran.

The Ilkhani's son acted almost exclusively as spokesman.

In my telegram above mentioned I sketched the main lines of the conversation which ensued and recorded its essential points. The complaints they brought forward fell into two main categories: the bill for painting and repairing the bridges on the Ahwaz-Ispahan road in 1904, and the compensation claims presented to them for losses incurred by the Oil Syndicate and their employes. The former they claimed to be excessive, and though I explained to them that all Messrs. Lynch's claims had undergone the most careful examination at the hands both of this Legation and of His Majesty's Government before presentation, and that this one in particular was a true account of moneys actually expended, they showed no signs of abandoning their contention, even hinting that an unjust attempt was being made to extract payments from them.

With regard to the latter, they complained that compensation was claimed for all sorts of trifling objects, such as damaged pans and broken plates, for which it was absurd to hold them responsible. This complaint, which is a regular *plat du jour* in Captain Lorimer's discussions with the Chiefs, I did not regard as meriting serious attention. I had already explained to them that Captain Lorimer's mission was to smooth over any difficulties between the Companies and the Bakhtiari, and that I was confident he would not support any frivolous claims on behalf of the former, and would carefully examine any grievances which the latter might bring to his notice. The Khans must not think that he was partial to one side or the other. When they now put forward a formal request for his removal, which was clearly the main object of their visit, I curtly informed them that it would not be granted.

The next topic they touched upon was the arrangements for guarding the Oil Syndicate's works and the failure of the Syndicate to pay them the extra 5000. covenanted for. I said I could not think of recommending the payment of this additional sum unless the Khans made proper provision for the effective protection of the lives and property involved, and this they had signally failed to do. Thereupon Suja-es-Sultan vehemently exclaimed that 200 men had at one time been sent; and I inquired how, in that case, an outrage like that perpetrated on Mr. Harris could have occurred.

Murtaza Kuli Khan then entered upon a muddled survey of their case, in which grievances against, claims on or by, and obligations towards Messrs. Lynch and the Oil Syndicate were inextricably confused.

The upshot of it all was, more inferentially, perhaps, than by direct speech, with whose uses the Persian is strangely unfamiliar, that they were sick of all this bother with foreigners, that they would gladly shut up the road and all the caravanserais on it, as it cost them more money and worry than it was worth; and that, as regards the Oil Syndicate's works, they would henceforth divest themselves of all responsibility for the protection of the employes unless their demands were agreed to. They spoke of having so far prevented the tribes from attacking the oil wells, and looked upon the Harris incident as quite trivial. Their general tone was extremely uncompromising and, in fact, aggressive. The impression derived by my interpreter, which he gave to me instead of translating in full the long and rambling statements made by the Ilkhani's son, was that all we could expect of them was that the tribes should be prevented from openly attacking the oil wells.

In reply I merely reiterated my statement that Captain Lorimer would not be removed, and added that as to the rest the Khans must decide as to the wisdom of the steps they proposed to take in their own interests.

The speaker then formally disclaimed all responsibility from that day forward, apparently as well for the road as for the oil works, and, on being questioned, stated that he did so with the authority of the Ilkhani and Ilbeggi.

That the leading motive actuating these gentlemen was the desire for Captain Lorimer's removal I think there is no doubt. Various suggestions have been made as to the quarter from which their action was influenced in order to create difficulties for His Majesty's Government, e.g., the Shah or his party, or a section of the Assembly. These theories seem, however, unimportant, and are incapable of confirmation.

In Captain Lorimer they have found a man with whom they cannot trifle, whose patience they cannot exhaust, and whom neither threats nor irrelevant arguments will turn from his purpose. Their sole object being the rapid acquisition of wealth with the minimum of responsibility or bother, it is not unnatural that they should find dealings with such a man extremely inconvenient.

There is not a shred of evidence to show that Captain Lorimer has ever abused his position or exceeded his powers, and I conceive it to be just as much in the interest of His Majesty's Government to retain as it is in that of the Khans to remove him.

Mr. Kitabji, whom recent events, and particularly the news of my interview with the Khans, have galvanized into an unwonted and not altogether tactful activity, informs me that the unyielding attitude which I felt it my duty to adopt produced a sobering effect on my visitors, who have since been assailed with doubts as to the wisdom of the step they took and alarmed at its possible consequences.

In conclusion, I have the honour to transmit copy of a note which I addressed to the Persian Government in accordance with the instructions contained in your telegram No. 177 of the 16th November.

I have as yet received no reply to this communication, but I have spoken officially to the Minister for Foreign Affairs, and privately to the Prime Minister and the President of the Assembly, on the attitude of the Khans, and have impressed on them the great interest which His Majesty's Government attach to the two great British enterprises in the Bakhtiari country. They all promised to do everything possible to force the Khans to observe their engagements and to protect British lives and properties; but while I am convinced that the Persian Government are ready to use on our behalf such influence as they may possess over the Bakhtiari Chieftains, it must be remembered that their influence is only moral, and that they can themselves do nothing whatever to afford material protection to our interests.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure in No. 436.

Mr. Marling to Mushir-ul-Mulk.

Your Excellency,

Tehran, November 18, 1907.

THE lawlessness and disorder prevailing in Bakhtiariistan have been causing the gravest concern to His Majesty's Government for the safety of the employes and property of the two important British commercial enterprises operating in that region, namely, the Persian Transport Company and the D'Arcy Oil Syndicate.

Until now a certain measure of protection has been afforded by the Bakhtiari Khans to the property and employes of these Companies, but I have recently received an intimation from their Excellencies that for the future they decline to accept any responsibility whatever in this respect or to fulfil the various obligations they have assumed in either case.

Even before this repudiation by the Khans of their responsibility the condition of the country was only too alarming, as is shown by the constant robberies of caravans on the Ahwaz-Ispahan road and the attack on Mr. Harris at Batwand, of which your Excellency is no doubt cognizant; and now that the responsible Chiefs seek to evade the duties and obligations of their position, it is clear that the uncertainty and danger in which British lives and property in these regions are placed has been seriously aggravated.

It has been my duty to keep my Government fully informed of these circumstances, and, in pursuance of the instructions which I have received from His Majesty's Principal Secretary of State for Foreign Affairs, I have now the honour to request that the Imperial Government will exact from the Bakhtiari Khans satisfactory guarantees for the adequate protection of British lives and property in the districts in question,

and I am also to state that His Majesty's Government will hold that of His Majesty the Shah responsible for their safety, and for any loss or damage occasioned by the action or neglect of the Khans.

I have, &c.
(Signed) CHARLES M. MARLING.

[41809]

No. 437.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 259. Confidential.)

Sir,

Tehran, December 2, 1907.

M. BATIOUSCHKOW, the First Interpreter of the Russian Legation, having, during the course of the summer, made in writing to me the astonishing statement that there were no Russian telegraph employes on the Meshed-Seistan line, it occurred to me that it might prove useful, when the time should arrive to effect the exchange of the telegraph lines provided for in the Annex to the recent Anglo-Russian Agreement, to have a complete list of the Russians employed on the Khaf-Seistan section of the Meshed Seistan line. I accordingly, on the 21st October, requested His Majesty's Consular officers at Meshed and Seistan to obtain such information and furnish me with such details as they could collect.

The following Table gives the list, practically identical in both reports, of the Russian staff on the Khaf-Seistan section shortly before the end of October :—

Station.	Name.	Rank.	Pay, per Mensem.
			Roubles.
1. Khaf	Kniaz Vachadze ..	Chief mechanician ..	280
2. Kain	Constantinow ..	Assistant mechanician ..	120
3. Birjand	Rosow ..	Telegraphist ..	120
4. Shusp	Tokhorell ..	Chief mechanician ..	280
5. Seistan	Gujerinsky ..	Telegraphist ..	180
6. Seistan	Drindin ..	Assistant mechanician ..	120

Major Sykes' report, dated the 7th November, states, however, that owing to "reduction in establishment," Constantinow, Tokhorell, and Drindin had returned to Russia, while Rosow was at Meshed, under orders to proceed to his post at Birjand.

There were also three other Russian employes on the line north of Khaf.

Major Kennion, in his report, expressed the opinion that, when the line comes under our control, if one of the three signallers we now have were made an inspector, the only necessary addition to our staff would be a signaller at Khaf. This would make four British employes in all, or one more, to judge from the statement made by the Acting Russian Minister for Foreign Affairs to Sir A. Nicolson on the 3rd (16th) September, than appears desirable in Russian eyes (see Sir A. Nicolson's despatch No. 187 of the 21st September).

Possibly the incident is not of very material importance, but it is instructive as showing that Russia is not likely to give away many points in the game by any quixotic honesty.

I have, &c.
(Signed) CHARLES M. MARLING.

[41810]

No. 438.

Mr. Marling to Sir Edward Grey. (Received December 23.)

(No. 260. Confidential.)

Sir,

Tehran, December 3, 1907.

WITH reference to my despatch No. 253 of the 19th ultimo I have the honour to transmit herewith copies of two despatches from Mr. Consul General Wratislaw; in the former he gives extracts from the reports of the American Missions at Urumia, throwing a useful light on the frontier as it existed in 1838, 1842, 1847 and 1850; in the latter he forwards translation of a Memorandum furnished to the Russian Vice-

Consul by Taher Pasha, giving an outline of the arguments which the Turkish Commissioners may be expected to use at the forthcoming Joint Turco-Persian Commission.

Since writing the above I have received a further despatch (copy also inclosed) from Mr. Wratislaw relating facts which throw a disagreeable light on the character for veracity of the Chief Turkish Commissioner. I fear that with Taher Pasha, such as Mr. Wratislaw describes him, there is little hope of inducing the Ottoman Commissioners to send home a truthful account of the Persian case.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure 1 in No. 438.

Consul-General Wratislaw to Mr. Marling.

(No. 26.)

Sir,

Urumia, November 2, 1907.

WITH reference to my telegram No. 123 of the 31st ultimo, I have the honour to inclose herewith extracts from reports of American Missionaries at Urumia which were published in the American "Missionary Herald" in 1838, 1842, 1847, and 1850, and which bear on the present Turco-Persian frontier question.

From these extracts it is plain that in those years (1) the Persian frontier coincided with the ridges of the high mountains west of Mergavar and Tergavar; (2) that the districts of Mergavar and Tergavar were Persian territory, the former being the property of a Persian Prince, uncle of the present Governor of Urumia; (3) that Baradost was Persian, the frontier lying to the west of Ghengetchin, and that the Turkish custom-house was established at Bazjerghe still further to the westward.

It is to be noticed that in the first extracts the frontier is mentioned as being between Persia and Independent Kurdistan, the Turks not having yet completely subjugated the Kurds.

If the Turks dispute the position of the *status quo* frontier, this testimony of impartial foreigners to what it was sixty or seventy years ago should not be without value. Subject to your approval, I propose to say nothing about this evidence until the Turkish Commissioners have shown their hand, when it may be expedient to draw the attention of the Persian Commissioners to it.

I have, &c.
(Signed) A. C. WRATISLAW.

Inclosure 2 in No. 438.

Extracts from Reports of American Missionaries at Urumia.

From Journal of Dr. Grant, published in American "Missionary Herald" of August 1838.

July 13, 1837.—"Took leave of our host at an early hour in the morning, and rode about 30 miles, into the adjoining district of Mergavar. It consists of an elevated plain about 15 miles long, and 8 or 10 broad, surrounded with mountains, and is inhabited by Kurds, and a few Nestorians. It belongs to the Prince Malek Manser Mirza, who is spending the warm season in tents near the snowy mountains which bound the plain on the west. We reached his encampment at noon, and were soon provided with a tent, and everything we could desire for our convenience and comfort. . . . A year ago last autumn, the Ravendoose Kurds plundered the district of Mergavar, and murdered or carried off many of the inhabitants."

"Concluding remarks. . . . The high ridges of mountains west of Urumia divides the Persian provinces from Independent Kurdistan. It also draws a dividing line between the Nestorian Christians, and presents a barrier to our immediate access to much the larger portion of them."

[1549]

From Journal of Mr. Stocking, published in the American "Missionary Herald" of July 1842.

March 22, 1841.—"Accompanied by Mar Yoosuph, I started for Tergavar, a mountainous district adjoining Kurdistan, and about 25 miles west of Urumia. The mission for a considerable time have sustained three schools there; but hitherto none of our number have ventured into that district on account of the number of predatory Kurds inhabiting it. . . . The present time was deemed favourable, as the Kurds, while in their villages, are restrained from violence by the fear of the Persian Government.

"Hakkai, the first village at which we stopped, and where we have a school, is situated on the declivity of a lofty ridge of mountains, constituting the boundary line between this part of Persia and Independent Kurdistan. . . . From this place we proceeded near the foot of the mountain to Ballulan, a village of several hundred Nestorians. . . . From Ballulan we passed to Umbie, a village a few miles distant, and near the foot of the mountain."

Visit of Messrs. Stocking and Stoddard to Tergavar, published in the American "Missionary Herald" of February 1847.

August 2, 1846.—At Derbend. "Deacon Isaac (who accompanied the Americans) here, as at Tulu, urged upon the people the necessity of repentance and a living faith. When they complained that it was impossible to keep God's commands, oppressed as they were by their Persian masters on the one hand, and by the lawless Kurds who crossed the boundary of Turkey on the other, Isaac assured them that this distress was all in consequence of their sins. . . . On the following Saturday (i.e., after the 7th August), Mr. Stoddard accompanied by John, went to Marbeshoo, a large village 20 miles from Tergavar, and entirely beyond the boundary of Persia."

Return of Messrs. Perkins and Stocking from Mosul, published in the American "Missionary Herald" for March 1850.

June 9, 1849.—"Passing by Basan, which has a strong but decayed castle, and a few families of Nestorians, the rest of the inhabitants being Kurds. Mr. Perkins came to Bazirga, the frontier village between Turkey and Persia. Here two Turkish officers are stationed to keep a custom-house. The population consists of ten families of Jews, and about twenty families of Kurds. The Sabbath was spent at Gergachin. Gergachin (evidently Ghenghetchin) . . . We were soon reminded that we were in Persia, instead of Turkey, by indications of insecurity around us. Hardly were we seated, &c. . . . The district of Baradost is a fine, grassy plain, about 10 or 12 miles long, and 7 miles wide. It is situated directly north of Tergavar, a low ridge of mountains and the deep valley of the Nazloo River lying between north of Baradost is the district of Somai, of about the same extent."

Inclosure 3 in No. 438.

Consul-General Wratislaw to Mr. Marling.

(No. 27.)

Sir,

Urumia, November 5, 1907.

WITH reference to my telegram No. 125 of to-day I have the honour to inclose herewith a translation of the Memorandum supplied to the Russian Vice-Consul, Baron Tcherkassov, by the Turkish Commissioners at Bashkaleh.

The tone of this Memorandum is very uncompromising, and it is, I conjecture, the work rather of his colleagues than of Taher Pasha. It introduces matter, such as the Turco-Persian Convention of 1869, and ancient Treaties, of which Taher Pasha appeared ignorant until the other members of the Commission arrived, and they must now have brought him fuller instructions than he at first possessed.

The assertion that Jerma and Bedkar (in the west of Tergavar) and Behik (in the west of Baradost) have always been under Turkish administration, is incorrect.

I have, &c.

(Signed) A. C. WRATISLAW.

Inclosure 4 in No. 438.

Memorandum.

(Translation.)

LET us also make the truth clear. Although the Commissioners of the four Powers did in fact make a map which they based on the influence, Turkish or Persian, under which the inhabitants in the districts they then traversed were living at the time; subsequently, in the Treaty made between Turkey and Persia concerning the *status quo*, in which that map was mentioned, it was clearly stated that the population should remain *in statu quo* until the frontier was determined, but that the *status quo* should not be considered as any right to ownership; and it is accordingly obvious that it was decided between the two Governments that the map in question had no effect as regards the line of frontier.

Similarly, the establishing (at the instigation of influential men at Urumia) of custom-houses, which you mention, at the villages of Jerma, Bedkar, and Behik (which are the property of Turkey, and have always been under our administration) is invalid by this Treaty; seeing that in the IVth Article there is a clear and unequivocal statement to the effect that such creations should be no proof of ownership when the frontier comes to be delimited.

The fact, which you mention, of passports being given by your Consulate to the inhabitants of the four districts (Nahiye) proceeding to Russia, also comes under the authority of the same Article.

The Firmans also, which you mention, of Nadir Shah and others, were valid so long as war lasted, but Treaties made after peace destroyed their validity, and the Treaties contracted with Persia entirely preserved the ancient frontier line.

Thus Dervish Pasha's map and Report are exempt from all objection, and were made both in conformity with Treaties and in accordance with possession, proved by official registrations. Further, it is proved by official correspondence, which I have seen here, that last year the Persian Ambassador at Constantinople cited Dervish Pasha's map as a proof against the Porte for the matter of these four districts. Thus we are of opinion that it is impossible now to object to Dervish Pasha's map.

Although the fact that the population who belong fundamentally to our tribes have for so many years been exposed to the influence of the influential men of Urumia has helped to increase the latter's wealth; it has also been the cause of loss to the peaceful inhabitants of both sides and of the ravaging of many of our villages, and has tragically prolonged the shedding of blood on both sides. It is most urgent that an end should be put in humanity's name to this state of things.

This being so, it is evident that the Treaty you mention as having been recently concluded between Russia and England will assist in ending entirely such unjust claims on the part of Persia.

Therefore we consider it very necessary that it should be understood that the pretension of a number of interested persons from among the influential men of Urumia to interfere with our tribes was a mistake. Especially do the unexampled quiet and security which have reigned this year in these localities (certainly belonging to us) indicate absolutely the necessity of Imperial troops being there for their defence.

However, the question of delimitating the frontier depends on the manner which shall be decided between the two parties and on the orders which shall be received. It has been explained that the Persian Government considers it necessary that there should be a joint inquiry, confined to two points:—the bringing to light first of the calumnies concerning the Imperial troops, and, secondly, the aggressions reported by Majd-es-Sultaneh. As you have visited Mawana on the present occasion, there is no doubt that you have completely satisfied yourself that there is no foundation for such reports as these, that villages were bombarded, girls carried off, and a number of women and children murdered by Imperial troops; and, seeing that you said that our officials have been there for three years, the repulse of the aggression in this year of Majd-es-Sultaneh leaves no possibility for such assertions as that there was a violation of the frontier by Imperial troops.

Inclosure 5 in No. 438.

Consul-General Wratishaw to Mr. Marling.

(No. 28. Confidential.)

Sir,

Urumia, November 13, 1907.

WITH reference to my despatch No. 27 of the 5th instant, forwarding translation of the Memorandum handed to the Russian Vice-Consul when at Bashkaleh by the Turkish Commissioners, I have the honour to report that Captain Dickson, R.A., His Majesty's Vice-Consul at Van, was also at Bashkaleh during the latter part of Baron Tcherkassov's visit. He tells me that the impression produced by the Baron on the Turkish Commissioners was decidedly unfavourable, and that they subsequently expressed extreme surprise at his statement, made in Captain Dickson's hearing, that Great Britain and Russia had in their recent Convention guaranteed the integrity of Persia.

I was surprised to learn from Captain Dickson that Taher Pasha had informed him that he had succeeded in convincing me personally of the justice of the Turkish contentions, but that I had said that I could not of course admit this officially. I need hardly say that Taher Pasha's assertion is absolutely baseless, and I imagine that he only made it in the hope of extracting some expression of opinion from Captain Dickson, in which enterprise he did not succeed.

In this connection, I may mention that the last time I met Taher Pasha I drew his attention to the inaccuracy of his report to the Sultan (communicated by the latter to His Majesty's Ambassador at Constantinople) to the effect that he had convinced me that the charges brought against the Turkish soldiery were untrue. The Pasha assured me, in reply, that he had never reported anything of the kind.

I fear that the Chief Turkish Commissioner is excessively mendacious even for a Turkish official.

I have, &c.

(Signed) A. C. WRATISLAW.

[41811]

No. 439.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 261.)

Sir,

Tehran, December 1, 1907.

I HAVE the honour to transmit herewith the monthly summary of events in Persia for the last four weeks, as well as the summary of the proceedings of the Persian National Assembly for the same period.

I have, &c.

(Signed) CHARLES M. MARLING.

Inclosure 1 in No. 439.

No. 13.—*Monthly Summary of Events in Persia.**Tehran.*

THE principal subject of interest at Tehran during the month under review has been the struggle between the Shah and the Assembly, which is reported upon fully elsewhere.

2. A serious affray occurred on the 21st November between some soldiers of a native regiment under Amir Behadur and some Cossacks under Colonel Liakhoff. On the 27th November some soldiers under Zafar-es-Sultaneh shot two men in the streets of Tehran while under the influence of drink. The bodies of the victims were taken to the house of the Mujtehed Seyed Abdullah, and the bazaars were temporarily closed.

3. Several cases of violent assault and robbery in the streets of Tehran have been reported during the month, and in one case a European was threatened.

4. M. Ostragradsky, the Representative of the Russian Ministry of Finance, has returned to Tehran.

5. Sani-ed-Dowleh, the Minister of Education, Roads, Mines, &c., has approached His Majesty's Legation in connection with a scheme for constructing a railway from Mohammerah, via Khorremabad, Sultanabad, Kum, and Tehran, to Meshed, with a branch to Astrabad. His idea is to raise the necessary funds by an international loan in Paris, and to assign as guarantee the revenue to be derived on a greatly increased scale of taxation on tea and sugar. The scheme, however, appears to be quite impossible of realization.

6. Sepahdar has left for Astrabad via Resht, where he had delayed a considerable time. His mission, it will be remembered, is to lead a punitive expedition against the Turkomans.

7. The Tehran "Habl-ul-Matin" has been less violent in tone of late. Articles continue to appear in the various local papers on the subject of the Anglo-Russian Agreement.

8. The proposal to send back the Heshmet-ul-Mulk to Seistan and Kain as Governor has apparently been dropped. This is probably due to the private representations made by Mr. Marling to the President of the Assembly on the subject at the beginning of October.

9. Early in November His Majesty's Legation heard of the impending departure of Prince Seif-ed-Dowleh to Kermanshah as Governor, notwithstanding the promise given by the Prime Minister that he would not be reappointed to that post in view of his unfriendly attitude to us. Renewed representations were immediately made, and his departure was prevented.

10. The Shah has been at last induced to bring out of the private treasury of the Palace a number of "ashrafis," or gold tomans, for the purpose of alleviating the present financial difficulties of the Government. It is said that 300,000 "ashrafis" have been given by the Shah to the Minister of Finance. This would represent, at the present market value of the "ashrafi," a sum of about 1,000,000 tomans, or about 200,000*l.*

11. Dr. Hugo Grothe, who was reported some time ago to be travelling through South-Western Persia on a German Commercial Mission, has arrived at Tehran.

12. The German Minister, M. Stemrich, has left Tehran, and Baron von Richthofen has returned as German Chargé d'Affaires.

(Signed)

G. P. CHURCHILL,

*Acting Oriental Secretary.**Tubreez.*

1. The town was, towards the end of October, kept in a state of disorder by the "Fedais" or volunteers, who fear no one, and are reported to have collected a large sum of money by extortion from rich inhabitants of the town. They tried to prevent the sale of bread to Armenians, but this the Governor prevented. Business was almost at a standstill, and the population generally in a state of despair. The country around was also much disturbed, especially Karadagh, Khoi, and Salmas. Later reports state that the situation is calmer. Khoi and Maku are quiet, and caravans are able to move on the Trebizonde road; Karadagh is still infested by brigands, and Kurdish tribes are reported to be pillaging within 2 miles of Soujboulak.

2. Moadil-es-Sultaneh has been appointed Karguzar to succeed Mofakher-ed-Dowleh, who was accused of selling the Aji River bridge to the Russians.

3. On the 16th November the Mussulman teacher of the Russian school was molested and wounded by some roughs who fired some shots at the building. The man being a Russian subject, the Russian Consul-General has demanded satisfaction and the punishment of the culprits.

Resht.

1. The Amir Azam, the new Governor, is taking energetic measures to restore order. He is of opinion that the "Abbasi" Committee is the cause of most of the disorders, and he has had several of its members imprisoned and bastinadoed. This led to a large number of people declaring their intention of taking refuge at the British and Russian Consulates. His Majesty's Vice-Consul was interviewed by a representative of these people, and advised them strongly to abstain from taking refuge and to refer any complaint they had to the National Assembly.

[1549]

2. The Governor having sent some sowars to Kama, the inhabitants of that place imprisoned them. The Governor was about to inflict exemplary punishment on the offenders, but pardoned them at the instance of the hereditary chieftain of the district.

3. Quarantine, which was transferred from Astara to Enzeli, has been definitely abolished.

Astrabad.

The British Agent reports that during the latter part of October large parties of Turkoman horsemen raided villages near Astrabad, killing a few men and carrying off some women and cattle. He adds that he hears on good authority that the Russian Commissioner at Kunbad-i-Kabus (the Russian military post within Persian territory) has encouraged the raiders and provided them with ammunition.

Meshed.

1. "Yamut" Turkomans, from the Atrek, raided Miandasht and Juvain in the latter part of October. This matter forms the subject of a separate despatch.

2. Apart from the activity of the Turkomans, the Province of Khorassan and the town of Meshed have remained undisturbed.

Turbat-i-Hayderi.

1. 500 infantry and 100 cavalry were requisitioned at the end of October for service against the Turkomans, but no troops were forthcoming.

2. Captain Iyass left Turbat for the Afghan frontier, where encroachments have been taking place.

3. A Russian traveller, said to have come from Seistan on foot, arrived at Turbat recently.

4. Some Afghans of Musabad have prevented some Afghan nomads of Ayubi, Persian subjects, from cultivating land at Khushaba, a place on the frontier.

Ispahan.

1. The situation at Ispahan during the month has been comparatively quiet.

2. The Aghas have forbidden all trade with European firms, but have carefully abstained from forbidding trade in foreign goods, as they are partners in a native Association which deals in foreign goods. This has called forth a protest from Messrs. Ziegler and Co., and the Ispahan agents of Messrs. Dixon also report that they can do no business by daylight for fear of the Aghas. Persian merchants dealing with European firms have explained to the Aghas that they cannot close their accounts at a moment's notice. The Aghas have accordingly given them four months within which to close them. His Majesty's Chargé d'Affaires having brought the matter to the notice of the Foreign Minister, the latter submitted it to the Cabinet, which decided to take measures to remove Agha Norullah from Ispahan if he continued to interfere with foreign trade. The Russian Consul-General has also reported the matter to his Legation.

Shiraz.

1. Shiraz continued disturbed towards the end of October, and much firing took place. Several bullets having lodged in the town office of the Indo-European Telegraph Department, the office was temporarily closed. In the first week in November the two contending factions were reported to have received reinforcements, the Laris by contingents from Jahrum and from the Kashgais. The Lari faction then occupied two mosques in the town. The Kavamis were reinforced by Arab tribesmen. Kashgai tribesmen also overran the country south and west of Shiraz. On the 2nd November the Laris addressed a letter to His Majesty's Consul stating that the arrival of the sons of the Kavam would lead to a fight and the lives of Europeans would be endangered. On the same day the Kavamis addressed Mr. Grahame a letter, in which they accused the late British Agent of aiding the Laris, which, however, he denied. On the 3rd November the Governor, Nizam-es-Sultaneh, left for Tehran, having spent the previous week in the late British

Agent's garden outside the town. Khabir-ed-Dowleh, Deputy Governor, informed Mr. Grahame that the Lari Seyed had produced a letter or letters from Nizam-es-Sultaneh showing that the latter had himself called in the Seyed. On the 8th November the sons of the Kavam arrived, and on the 10th November the Chief of the Kashgais withdrew. The situation has since been calmer. Robberies, however, continue to take place, several having been committed near the Residency. A telegram has just been received from His Majesty's Consul that some of his servants have been brutally attacked by Kashgais.

2. The country round Shiraz is also in a very disturbed condition, and the roads to Bushire and Ispahan are infested with robbers, those to the south being Kashgais. A servant of Lieutenant Black, who left Shiraz a few hours after his master to catch up the caravan, was robbed within sight of the caravan by a Kashgai horseman of notes belonging to the Imperial Bank of Persia to the value of about 400*l*.

3. On the 3rd November Captain Heinicke, a German merchant of Shiraz, was robbed within a quarter of an hour's walk of the town. He was stripped of his clothes, and all he and his servant had with them was taken. The robbers then mounted their victims' horses and compelled their prisoners to walk ahead of them. Captain Heinicke received a blow and fell, whereupon the robbers, who are believed to have been Kashgais, made off, leaving him and his servant and the horses. Captain Heinicke made his way to the house of the Acting Russian Consul-General, who telegraphed the facts to his Legation. His Majesty's Consul, when informing this Legation of this incident, urged that measures should be taken for the protection of British subjects.

4. A British merchant living in Shiraz was recently fired at with a revolver, and it appears to be quite unsafe for Europeans to go out after dusk.

Yezd.

The Governor has left the town, and the branch of the Imperial Bank has telegraphed that their guard of native soldiers has deserted, leaving them unprotected. Urgent representations are being made here on the subject.

Kashan.

A telegram has just been received from the signaller of the Indo-European Telegraph Department at Kashan that a serious disturbance has broken out there, and that much firing has taken place near the telegraph office, from which he was unable to emerge on account of continued firing. This has also formed the subject of urgent representations to the Persian Government.

Seistan and Kain.

1. The Persian soldiers at Kuh Malik Siah have been withdrawn on account of sickness.

2. The local Assembly has drawn up a declaration of its duties and responsibilities. Orders are to be executed with the "assistance" of the local Government. The Deputy Governor has sealed this document. The Assembly complains of the obstructive attitude of the Deputy Governor, and has asked the Meshed Assembly for support against him. On the 25th October about 1,000 supporters of the Assembly took refuge in the Russian Consulate. It appears that the Russian Consul is now supporting the Assembly against the Deputy Governor.

Kerman.

1. Nosret-ed-Dowleh, late Governor-General, left Kerman on the 23rd October for Tehran. Nazim-et-Tujjar was brought back in triumph on the 17th, and has since been conducting elections for the local Assembly. The Regulations laid down by the National Assembly regarding provincial elections have, however, been ignored.

2. Sahib Ekhtiar, until lately known by the title of Vezir Makhsous, was appointed Governor-General, but has not yet left Tehran. He has endeavoured to get a loan of some 2,000*l*. from the Imperial Bank for his travelling expenses, but has been unable to furnish a suitable guarantee. Meanwhile, the Minister of the

Interior has appointed a triumvirate of Nosret-ul-Mamalek and two General Officers to govern the province, but the Generals decline to undertake the duties assigned to them, as they say they have no means of enforcing obedience to their orders.

Kermanshah.

1. On the 22nd October some firing took place in the neighbourhood of His Majesty's Consulate, several shots passing over it. Captain Haworth is of opinion that the shots were fired with a view to getting him to report that the town was in a disturbed state, and to prevent the return of Prince Seif-ed-Dowleh. In November Zahir-ed-Dowleh was appointed Governor.

2. On the 25th October a Seyed assaulted an old Jew, a servant of the Israelite School. The brother of the Imam Jumeh, who was passing, joined the Seyed, the soldiers of the Persian guard of the school coming to the rescue of the Jew. One of the soldiers was struck with a stone by a servant of the Imam Jumeh's brother, and the servant in turn was beaten by the soldiers. M. Sagues had the man released, and wrote to the Imam Jumeh asking him to investigate the matter. Meanwhile a crowd entered the school, seized M. Sagues and dragged him to a mosque, threatening him with death. The Imam Jumeh rescued him at considerable personal risk, and got him safely into the house of the commander of the local troops. On the 29th M. Sagues, believing that the Jewish quarter was to be raided, took refuge at His Majesty's Consulate, and remained there until Captain Haworth obtained a guarantee for his safety from the Karguzar.

Persian Gulf.

Arms Traffic.—On the 13th October the Indo-European Telegraph Department Office at Jask reported that on the 11th fifty Martini-Henry rifles were landed at Galeg, sixty at Konarek, twenty at Pusnu, and twelve at Rashidi.

Later it was reported that on the 14th 2,000 rifles and ammunition were landed at Galeg and 30 rifles at Bir, and were being taken away on camels. Further consignments are reported to have been landed as follows: On the 19th, 60 rifles at Konarek; on the 21st, 100 rifles at the same place; on the 2nd November, 100 at Konarek, and 70 at Sadeeh.

Bushire.

There is nothing of interest to report.

Bunder Abbas.

All caravan routes to the interior were reported to be infested by highwaymen during October; consequently no caravans moved for some time. Later reports state that caravans are now being sent.

Lingah.

Sadid-es-Sultanch's relatives having removed his father-in-law's luggage from the Customs before it had been examined, the Director of Customs appealed to the Governor, saying that Seyed Shubber's servants had removed it. His Excellency had soldiers posted at the Customs. Seyed Shubber complained to his Excellency that the Director had misrepresented the matter, and asked for his removal. He further warned his Excellency against attempting to arrest the persons who had assaulted the Director some time previously. He replied that he had no intention of arresting them, and asked the Seyed to promise (1) not to interfere in Customs or quarantine affairs; (2) not to order the destruction of liquor which may be imported, but to ask for its return; (3) not to prevent the enforcement of passport rules. The Seyed denied interfering, and gave the assurances asked for. His Excellency then ordered the Karguzar to enforce the passport regulations, whereupon the Director and his partisans met and demanded that they should not be enforced, failing which they would telegraph to Tehran. Subsequently the Governor performed a complete *volte-face*, and withdrew the order he had issued to the Director to leave for Bushire. He then personally attended the Director's Assembly, and ordered Seyed Shubber to do the same on pain of expulsion. The Seyed expressed his willingness to accompany his Excellency to Bushire or elsewhere, but refused to go to the Director's Assembly, and expressed surprise at the Governor's change of attitude. He has since taken refuge at Bassidore. M. Warren has been sent to Lingah *ad interim*. It is hoped that his arrival may have a calming effect.

Ahwaz.

Captain Lorimer has not been in telegraphic communication with the Legation for some weeks, on account of the breakdown of the Ahwaz-Borazjoon telegraph line.

The question of the protection of the Oil Syndicate's employes and the unfriendly attitude of the Bakhtiari Khans has formed the subject of much correspondence. The whole question has, however, been fully dealt with in separate despatches.

(Signed) C. B. STOKES, Major,
Military Attaché.

Tehran, December 4, 1907.

Supplement to the Monthly Summary.

Yezd.

On the 14th November Bahram Gushtask, a Parsee merchant, was shot at and seriously wounded by a Mussulman, who made his escape. Representations are being made to the Persian Government on the subject by His Majesty's Legation.

Shiraz.

His Majesty's Consul, telegraphing on the 3rd December, reported that lawlessness in Shiraz and throughout Fars was increasing; that the tribes were out of hand and worse troubles were to be expected in the spring. The Prime Minister informed His Majesty's Chargé d'Affaires that nothing could be done until a Governor was sent. It is now reported that Ala-ed-Dowleh has finally agreed to go, his conditions having been accepted in full. Mr. Grahame has expressed the opinion that if the tribesmen can be kept away from Shiraz the situation will improve, but that a strong Governor with some armed force to back him is required to put an end to the disorders. If Ala-ed-Dowleh actually goes these requirements will be partly fulfilled.

The Consular escort will remain at double its usual strength until the situation has improved.

Meshed.

Herr Kurt Jung, German Commercial Delegate, has arrived at Meshed.

Five carts full of rifles and ammunition having arrived at Kuchan from Ashkabad, and having been passed through the Customs there, the Karguzar asked the Russian Consul-General for an explanation, but received no answer.

Six Ottoman Turks with a doctor, all in disguise, are reported to have arrived at Meshed on a secret mission. Three, one of them a doctor, left Meshed on the 14th November for Karez *en route* to Kabul, to which place they stated the Ameer had invited them. Their movements are being watched.

Kuchan has been attacked by Turkomans, the Persian troops there being defeated.

Seistan.

The refugees in the Russian Consulate left in the last days of October, after being told that their grievances had been represented to Tehran. The Russian Vice-Consul had received orders from his Legation to send them away. The Deputy Governor has given orders for the abolition of some of the more flagrant abuses, and the local Assembly is for the present satisfied.

Turbat-i-Hayderi.

Captain Iyass, with an interpreter and five Cossacks, reached Karez on the 7th November.

Bushire.

The Director of Customs states that the Persian Government wish to sell the "Persepolis," "Muzaffer," and two of their three launches, and to buy two light-draught vessels capable of carrying a few guns and transporting a considerable number of Persian troops. The Prime Minister informed Mr. Marling that the intention is only to sell the "Persepolis" and buy a more seaworthy ship.

Bunder Abbas.

There are now ten Russian Cossacks, under a Russian military officer named Mathew, at Bunder Abbas. The Russian Consul refers to this officer as "Second Secretary."

Telegraphing on the 1st December, His Majesty's Resident at Bushire reported that the British Consul at Bunder Abbas reported the situation there as serious in consequence of the activity of the tribesmen. The Resident had arranged for His Majesty's ship "Lapwing" to proceed there.

Lingah.

His Majesty's Resident has received reliable information that the failure of the Governor to release the Sheikh of Charek, in spite of his promise to do so, was due to specific orders from the Shah. It is believed that Sadid-es-Sultaneh or some other intriguer, has been reporting the Sheikh to Tehran as being in the pay of the British.

(Signed) C. B. STOKES, Major,
Military Attaché.

Inclosure 2 in No. 439.

Memorandum by Mr. Churchill on Proceedings of Persian National Assembly from November 9 to December 2, 1907.

THE most noteworthy feature during the month under review was the State visit paid to the Assembly on the 12th November by the Shah. The Princes of the Royal House, including the Zil-es-Sultan, were present, as well as a representative gathering of officials and the clergy. Extraordinary precautions were taken to safeguard the Shah's life. The ceremony lasted about half-an-hour, and after a preliminary exchange of compliments, in which the principal Mujtehed, Seyed Abdullah, acted as spokesman for the Assembly, the President laid a Koran before the Shah, as well as the oath prescribed by Article 38 of the Constitution of the 8th October, 1907, which the Shah made a pretence of taking. The President called for cheers for the Shah, which were loudly given. The Corps Diplomatique was not invited to attend the ceremony.

This show of a reconciliation between the Shah and the Assembly brought about a temporary relaxation of the tension which existed before, but was soon followed by renewed activity on the part of the Shah's agents and the consequent indignation of the public.

On the 17th November an important debate on the Budget took place. The Finance Committee of the House began by making a statement of the provisions they proposed to make for the expenses of the Shah's Court, amounting to 500,000 tomans. Regarding the reductions made in the pension list, amounting to 990,000 tomans a-year, they stated that 450,000 tomans represented deductions from or the entire suppression of the pensions of thirteen persons, including those of the deceased Atabek and Mushir-ed-Dowleh. Taki Zadeh made a speech dealing with the dissatisfaction apparent on the part of the Shah and his courtiers at these arrangements, in which he intimated that if the Shah would not fall in with the Budget arrangements the House would be obliged to pay the Court officials itself and pay the Shah only the balance of about 30,000 tomans out of the Civil List.

On the 14th November the question of the appointment of M. Bizot as Financial Adviser was again discussed in the presence of the Minister for Foreign Affairs, who pressed the House to agree to the draft contract. After considerable debate, during which it was said that the House had always wanted a Director for the National Bank and not a Financial Adviser, the draft contract was agreed to, though no votes were taken.

The general state of disorder in the country having become worse, representatives of the amalgamated Committees addressed a statement of their demands to the House on the 19th November, in which they insisted on immediate steps being taken for the restoration of order, and asked the House to force the Princes and Nobles who had subscribed certain sums to the National Bank to pay their subscriptions in cash.

On the 21st November it was apparent by the attitude of the two principal Mujteheds that there was considerable dissatisfaction among the public as to the

progress made by the Assembly. Seyed Mohammed said in the House, "We heard much praise of a constitutional form of Government. If this is the result there is no advantage in it. Is it not the duty of the Sovereign to prevent disorders? Under present conditions life in this city is impossible."

On the 22nd November, the Prime Minister, the Ministers for War, Justice, and Commerce being present, there was some debate on the subject of the proposed army reform. No decision was arrived at, but the Minister for War promised to hand in his reform scheme in a week's time. During the course of the debate some remarks were made on the subject of the independence of the Russian Colonel of the Cossack Brigade. The President said that he was to blame for the previous day's free fight which had occurred between his Cossacks and the native "Silakhor" regiment.

On the 23rd November a number of Deputies were selected to form different Committees, including one for Foreign Affairs, the duties of which are to comprise superintendence over the Ministry for Foreign Affairs and investigation into all foreign Treaties, contracts, and Concessions.

The intrigues of the Shah's agents, especially Saad-ed-Dowleh, having assumed a threatening character—as evinced by the artificial agitation of persons whose pensions had been reduced, and the affray between Cossacks and the "Silakhor" regiment on the 21st November—a heated debate took place on the subject, in which Taki Zadeh took a prominent part. The public was then asked to withdraw, and the debate continued with increased vigour. The Shah's agents were denounced by name, including M. Chapelal, the Russian Jew, who is attached to the Shah in the capacity of Chamberlain. Saad-ed-Dowleh and Amir Behadur were also loudly denounced, and it was strongly urged by some Deputies that they should be expelled from the country. The Prime Minister, who was present, on being appealed to, admitted that he was aware of some unknown force at work against them. It was decided to hold a special private sitting the following day, at which the Cabinet Ministers should attend to discuss the situation.

On the 27th November the Assembly held a private session, but the Ministers were detained at the Palace. The President announced that the Shah desired to receive a deputation of the members, and ten members were chosen and proceeded to the Palace.

On the 28th November, at a public sitting, the Shah's written Address to the deputation of the previous day was read. His Majesty insisted on the necessity of entirely separating the executive duties of the Government from the legislative powers of the Assembly, and laid stress on the lamentable state of disorder into which the whole country had fallen. He finally urged the suppression of those local Committees which unduly interfered in Government affairs and were a cause of a disturbance of the public peace, and announced that his Ministers had been given orders to effect their suppression. The Assembly, after carefully considering what reply they should give to the Shah's Message, drew up, in consultation with the Chief Mujteheds, an answer thanking His Majesty for his gracious communication, assuring him that the Assembly did not desire to confound the duties of the executive and legislative bodies, but desired to restrict its action to the drawing up of laws and to the supervision of their execution. Regarding the suppression of undesirable local Committees, they reminded the Shah of Article 21 of the Constitution of the 8th October, allowing the formation of Committees, and promising to draw up regulations for their governance.

During the course of the debate on the subject of the Shah's Message at the public sitting of the 28th November, one of the Deputies (an obscure Kerman member) went so far as to say openly what other speakers had only vaguely hinted at, namely, the part played by the Russian Legation in the Shah's campaign against the Assembly. He was called to order by the President, but as the speakers showed an inclination to insist upon this point, the public was excluded. The Prime Minister then entered the House, accompanied by most of his colleagues, and the subject was pursued by Taki Zadeh and the other Tabreez Deputies. Saad-ed-Dowleh was denounced as a Russian agent, and M. Chapelal's presence at Court was also severely criticized. The Russian Minister was openly accused of influencing the Shah to intrigue against the Assembly, and one of the Deputies stated that they all knew of the visits paid by the Russians to Saad-ed-Dowleh and others hostile to the Assembly. Abdul Hassan Khan and Assadullah Mirza referred to Russia's policy in Manchuria, Tibet, and elsewhere. The general consensus of opinion was that the Shah, backed by the Russian Legation, was responsible for the disorders in Tehran and the provinces, with the object of throwing discredit on the Assembly. The Prime Minister, when

appealed to to confirm this view, endeavoured to avoid giving a straightforward answer, and, when pressed to do so, became very excited, and implored the House not to press him to say in so many words what every one knew. The Cabinet were doing their best against enormous difficulties, and if the Assembly was not satisfied with them, he personally would be only too glad to give up his arduous task and retire.

(Signed) G. P. CHURCHILL.

[41812]

No. 440.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 262.)

Sir,

Tehran, December 4, 1907.

WITH reference to my despatch No. 257 of the 30th ultimo, I have the honour to transmit herewith translation of the reply which I received on the 3rd instant from the Persian Minister for Foreign Affairs to the note in which, by your instructions, I informed his Excellency that His Majesty's Government would hold the Persian Government responsible for the safety of the lives and property of the Oil Syndicate and the Persian Transport Company.

The note appears to me to be most unsatisfactory. The Persian Government seek to evade all responsibility, and have not apparently attempted in any way to exact any guarantees from the Bakhtiari Khans for the observance of their obligations and the protection of the Companies' property and employes.

The attempt to take credit for the punishment of Mr. Harris' assailants is absurd. The Legation had for months been making urgent representations, but without any result, and it was only on the arrival of Captain Lorimer at Batwand that, by his personal influence, a tardy satisfaction was at length obtained.

I have the honour to inclose also a copy of my reply, in which I took the opportunity to inform the Persian Government of the decision of His Majesty's Government to increase the Ahwaz Consular guard.

In conversation with Nasr-ul-Mulk the same afternoon, I spoke on the subject, and found his Excellency quite prepared to view it in a reasonable light. He agreed to my suggestion that it would be better not to give it any publicity until the men had actually arrived.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure 1 in No. 440.

The Mushir-ed-Dowleh to Mr. Marling.

(Translation.)

Tehran, November 30, 1907.

I HAVE received your note of the 18th instant respecting the Bakhtiari district, and I have the honour to state, for your information, that, for the maintenance of order in the district in question, and for the convenience of the British subjects, which has always been a special object of the Persian Government, necessary orders were sent by post and telegraph before the receipt of your note, and after its arrival the orders were renewed to the Bakhtiari Khans, urging them to take at once strong measures and report the result.

You state in your note that "His Majesty's Government will hold that of His Majesty the Shah responsible for their safety," and any loss or damage occasioned "by the action or neglect of the Khans."

In reply I have the honour to state that such incidents and differences between the inhabitants and the employes of the Company cannot be attributed to the want of action on the part of the Government, and no mention should be made of compensation, because such differences may arise between any persons in any part of the world, but measures will be taken to put them right. In the present case measures have been and will be taken.

Copy of a telegram recently received from the Ilkhani of the Bakhtiaris as to the punishment of the offenders of the attack on Mr. Harris, and which shows the good result of the orders previously sent, is herewith inclosed.

It is evident that the Persian Government are doing their best to maintain the security of the employes of the Oil Company, &c., and to promote their operations,

especially as the operations in question are expected to profit the State. No doubt the Persian Government will never refrain from taking timely measures for adjusting all differences.

I avail, &c.
(Signed) Mushir-ed-Dowleh.

Inclosure 2 in No. 440.

The Ilkhani of the Bakhtiari to the Mushir-ed-Dowleh.

(Telegraphic.)

November 25, 1907.

I HAVE received your Excellency's telegram regarding the men who had insulted Mr. Harris. Some time ago I sent several Delegates and had the offenders severely punished. I hold a document from Captain Lorimer, British Vice-Consul at Ahwaz, expressing his satisfaction. I will send it to your Excellency by post if desired.

Inclosure 3 in No. 440.

Mr. Marling to the Mushir-ed-Dowleh.

Your Excellency,

Tehran, December 3, 1907.

I HAVE the honour to acknowledge receipt of your Excellency's note of the 30th ultimo, in which you have been so good as to inform me that the Persian Government has sent repeated orders to the Bakhtiari Khans for the protection of the employes of the Oil Syndicate's workings in that country.

I regret, however, to gather from your note that the Persian Government declines itself to accept any responsibility in the matter, nor as yet has any pledge been exacted by it from the Bakhtiari Khans for the resumption of their responsibilities towards the two British Companies for the safety of their employes and property.

In these circumstances I cannot but regard your Excellency's reply as unsatisfactory, and the precarious state of the situation as unameliorated.

So serious is the view which His Majesty's Government have taken of the situation, that they have been compelled to consider what measures they themselves can take for the protection of British interests and lives in these regions, and they have decided to increase the guard attached to His Majesty's Vice-Consul at Ahwaz by the addition of twenty men under the command of two British officers. The party will shortly arrive at Mohammerah on their way to Ahwaz, and I have the honour to request that your Excellency will send the requisite orders to the Persian authorities at these two places to afford them the usual facilities.

I shall have the honour of informing your Excellency at an early date of the arms and equipment which will accompany them.

I need hardly assure your Excellency that the increase of the Vice-Consul's guard has no other object whatever but that indicated above.

I avail, &c.
(Signed) CHARLES M. MARLING.

[41813]

No. 441.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 263. Confidential.)

Sir,

Tehran, December 5, 1907.

AT an interview which I had with Nasr-ul-Mulk on the 25th instant, his Excellency gave me a most alarming picture of the political situation.

He began by recalling the cordial reception which greeted the Shah when he visited the Assembly on the 12th ultimo and took an oath to work loyally with it. The ceremony was a mere piece of hypocrisy on the part of His Majesty, for the Government had absolute proof that he was intriguing more mischievously than ever. His Majesty had attempted to organize simultaneous disorders on the 19th ultimo in Tabreez and Isfahan, happily unsuccessfully, and was encouraging the Turkoman Chieftains to continue their depredations and raids. In Tehran he was trying to

organize an armed force, composed of his own bodyguard of Azerbaijanis and his father's guard, under Amir Bahadur Jang, and might succeed in forming a body of some 1,700 men, which would make him practically master of the capital. He had restored the notorious Rahim Khan to favour, in the hope that his influence with the Tabreez element in the guard would be useful, and was trying to incite the malcontents whose salaries and pensions had recently been curtailed by the Budget Law to agitate against the Assembly.

Nasr-ul-Mulk was persuaded that we were on the eve of a *coup d'état*, and so convinced had he and his colleagues been of the impossibility of carrying on the Government in the face of the Shah's machinations that, on the 23rd, they had tendered their resignations, which, after some rather pointless negotiation, had been withdrawn. The Shah had, however, openly avowed his detestation of the Assembly and his desire to be rid of it.

The Government, the Prime Minister went on to say, was in a very difficult position. It seemed to be the Shah's intention to create a serious disturbance, and in the confusion to make a direct attack on the Assembly. The Government had no force at its disposal. The best they could hope of the Cossack Brigade was that it would remain neutral; but he himself was convinced that Colonel Liakhoff would take the side of the Shah. As for the volunteer force which the political Committees had urged the Government to form, his Excellency agreed that the experiment was obviously dangerous, and the Government, with the concurrence of the Assembly, had discarded the proposal, and had decided to form a small but efficient force out of the existing army. But his Excellency was evidently not sanguine that anything would be done within a reasonable time, for he expatiated at tedious length on the difficulty of the problem, such as the scarcity of incorruptible officers, the lack of money, and the unaccommodating attitude of the Imperial Bank of Persia, and much more, which showed clearly that the Government are much more alive to their difficulties than competent to surmount them.

Nasr-ul-Mulk's notorious timidity probably disposed him to exaggeration of the danger, but other and independent evidence shows that great general uneasiness existed.

From the 26th to the 28th public attention was wholly absorbed by the episode of the Shah's letter to the Assembly and the latter's reply, an account of which is given in the summary of the proceedings of the Assembly. Both from its contents and style the Imperial letter plainly shows that it is not a purely Persian production, and it is generally believed that it was the work of Saad-ed-Dowleh with Russian assistance. The significance of the incident lies in the fact that it constitutes the Shah's first direct attack on the constitutional régime.

On the 29th I received a visit from the Persian gentleman to whose intimate knowledge of public feeling and of the views of the secret Committees the Legation has so often had recourse. He generally confirmed the serious view taken by Nasr-ul-Mulk, and said that the only thing which deterred the reform party from taking decisive measures against the Shah was the absolute conviction that it would entail active Russian interference on His Majesty's behalf. I asked what proofs there were that the Russians were supporting the Shah. He instanced the constant visits of the Russian chief interpreter to Saad-ed-Dowleh, who is known to be the Shah's prime adviser; the Russian Minister's interview with Sheikh Jamal, a prominent preacher in the Shah's interests; the attitude of the Commander of the Cossack Brigade, who refused to receive any orders except those of the Shah, and his intimacy with Amir Bahadur Jang; and, lastly, the fact that the Shah was trying to borrow money from the Russian Bank on the security of the State jewels, all the details of which have somehow become known. The Assembly was very much impressed with the importance of preventing the Shah from raising a large sum by this means, and was trying at all events to get possession of the gold coin, said to amount to some 600,000 tomans, which forms part of the Imperial treasure. The Assembly considered that the treasure belonged to the nation, but did not know how to enforce their view on the Shah, who had already declined to hand over the gold to the Government. I may here remark that the Shah has since allowed this money to be removed, and it is now at the disposal of the Government.

On the 3rd December I again saw Nasr-ul-Mulk, who repeated much of what he said before, though he admitted that the situation was less strained.

The position of the Assembly is less strong than before. Popular confidence in the President is no longer what it was, and his attacks on the clergy and his peremptory manner in directing the debates have made him enemies. He himself appears to be

not unwilling to retire from the scene, for he mentioned both to me and to the German Chargé d'Affaires that he would like a diplomatic post abroad, and expressed to the latter the hope that the German Government would not for the present raise the question of the incompatibility of his holding nominally the post of Minister in Berlin while actually President of the Assembly. There are also signs of discontent with the condition into which the country has fallen under "constitutional" government, and the Assembly gets the blame. It has also within the last few days been guilty of a bit of folly which will discredit it seriously—it has ordered the Minister of Finance to pay out 30,000 tomans as payment of the Members' salaries for the three months during which the House sat last year. The great majority of the Members can perfectly well afford to go without it, but not a voice was raised to protest against a measure so unwarrantable in the existing financial embarrassment of the Government, and this foolish exhibition of selfishness is likely to cost the Assembly dear.

The Shah, on the other hand, has at last shown his hand, and, as the people believe that their worst suspicions are confirmed, His Majesty is, if possible, more unpopular than before.

I have, &c.
(Signed) CHARLES M. MARLING.

[41814]

No. 442.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 264.)

Sir,

Tehran, December 5, 1907.

IN the course of conversation on the 3rd instant the Minister of Finance alluded to the financial situation of Persia, and tried to sound me as to the possibility of obtaining assistance from His Majesty's Government. A loan, he said, was absolutely necessary, and the Persian Government were aware that their only hope was in the friendly sentiments of Great Britain. He had so far no definite proposals to submit, nor would he do so until after the arrival of M. Bizot, but he would like to know if the offer of the joint Anglo-Russian advance of 400,000*l.* was still open, and on the same terms as before. I said that so far as I was aware it had not been definitely withdrawn, but I could not be sure that His Majesty's Government would not consider it as having lapsed, as the Persian Government had so long neglected to avail themselves of it. His Excellency was clearly anxious to get an assurance that they could still accept the offer.

Nasr-ul-Mulk went on to discuss the terms on which a loan might be obtained from His Majesty's Government. He was very optimistic, and clearly counts on their assistance.

I told him that I saw a great many difficulties. His Majesty's Government would not act without consulting Russia, and if the Russian Minister correctly represented the views of his Government I feared that Russia did not seem inclined to favour any such proposal. I reminded his Excellency that the failure of his Government to pay even the interest on our past loan would make it incumbent on us to request very much better guarantees for the service of a loan, and that we should certainly be equally exacting of assurances that the money was properly applied. I added also that the state of the money market must make any such operation out of the question at present, except on rigorous terms.

His Excellency seemed to think that terms could be arranged as to security and control of the expenditure, and said that he was speaking quite unofficially and confidentially. I answered that I too was only expressing my personal views, and as I am not aware what your views are as to whether the offer of the advance of 400,000*l.* is still open, I dropped the question.

The next day the Minister for Foreign Affairs broached the subject to me. He said the financial question was being anxiously canvassed in the Cabinet, who saw no hope but in the good-will of Great Britain. Their first object was to pay off the floating debt, amounting in round figures to about 900,000*l.*, on which they were paying interest at something like 12 per cent., but he did not give me any idea of what the total loan desired might be. I said I thought it was useless to discuss the subject before M. Bizot's arrival.

Both these Ministers, and also the President of the Assembly, have previously alluded to the possibility of obtaining a loan from His Majesty's Government or

through their good offices, and I think it is practically certain that before very long a more formal attempt will be made to ascertain His Majesty's Government's attitude.

I have, &c.
(Signed) CHARLES M. MARLING.

[41816]

No. 443.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 266. Confidential.)

Sir,

Tehran, December 6, 1907.

IT seems scarcely possible that the Government can sink to a lower degree of impotency than that it has now reached, but in spite of this it is a matter for surprise, considering the forces at work to discredit the new régime, that the general condition of the country, bad as it is, is not far worse. But I fear that this cannot be taken as a hopeful sign for the future. In a more highly organized country than Persia the paralysis of the central authority would surely have resulted in a far more serious and general demoralization; but here, where authority, central and provincial alike, is so largely personal, the disappearance of the former has not necessarily effected the latter, so that in the great majority of towns there is relative tranquillity, and but little appears on the surface to show the serious crisis through which the country is passing.

As I have already said, the influence of the Central Government is practically nil, and as instances of its incapacity to enforce obedience, even on officials under its hand, I may recall how Sepahdar has taken more than a fortnight on his journey to Astrabad, where he is to take command against the Turcoman raiders, how Mohtashem-es-Sultaneh is loitering on his way to Urmia, and how Ala-ed-Dowleh, the Governor designate of Shiraz, declines to take up his appointment. Yet all these matters are urgent, and strong foreign pressure has been brought to bear on the Government to expedite them.

It is probably not yet realized in the less accessible parts of Persia how feeble the Government is, but when the knowledge becomes general there will be nothing left but the personal influence of the Governors to prevent local intrigues and feuds from bursting into activity, and producing the state of anarchy of which Shiraz is now an alarming example. Even as it is, the effect of the relaxation of central authority is but too evident.

The knowledge that no support can be given from Tehran deters every one from accepting the thankless task of attempting to restore order in provinces where disturbances already exist or threaten to break out. Shiraz, Kerman, and Yezd remain without Governors; at Ispahan the Nayer-ed-Dowleh is the tool of the Aghas; at Urmia the Governor has just been driven out of the town; and at Tabreez Ferman Ferman, in spite of the fact that he has worked harmoniously with the local Assembly, is in danger of expulsion, and the town has been in the hands of the "Fedais" for a day or two.

Nowhere is the state of affairs so bad as in Shiraz. As a last resort, the Governor called in the Lari tribesmen to enforce his authority, and then, realizing too late the helplessness of his position, abandoned his post, leaving the town to be the arena of the struggle between the rival factions of Kavam-ul-Mulk and Motam-ed-Divan. Naturally the whole province is affected, and it is only too probable that Mr. Consul Grahame's apprehensions will be realized, that when the tribesmen are returning to their summer quarters in the spring matters will be very much worse.

Further south the Baharloos are raiding the districts round Bunder Abbas, and an attack on the town itself is threatened. In Central Persia, Kashan was the scene on the 2nd instant of a lively fight between the retainers of the two local notables, and the Indo-European Telegraph Department's officials were for a time in serious danger; but no action seems to have been taken by the local authorities. At Ispahan the brothers Agha Nejefi and Sheikh Norullah are organizing a boycott of European goods, and at Yezd, where a Parsee merchant was the victim of a murderous assault three weeks ago, the Acting Governor cannot even furnish the usual guard to the Imperial Bank. In the extreme north the Turcoman raids recall the stories of sixty years ago, but nothing effective is done to stop them. It would not be difficult to multiply instances, but I think I have cited enough to show that wherever con-

ditions are favourable to disorder, and the local authority is weak, the Government is powerless to maintain order; the point, moreover, receives confirmation from the fact that from Resht and Persian Kurdistan, both turbulent districts, but where there are competent Governors, the reports are relatively favourable. The debility of the Government is no doubt largely due to weakness of character in its members, especially Naser-ul-Mulk, for from the standpoint of Western ideas the Cabinet probably represents all that is intellectually best in Persia. But allowance must be made for the enormous difficulties which confront it, of which the chief are an empty exchequer and the hostility, open and secret, of the Shah and the reactionary group.

There can be no question whatever that the Government is practically without money. Naser-ul-Mulk told me the other day that virtually no revenue was coming in, except from the customs, which had been extraordinarily productive, and from the telegraphs and passport dues; and this is all absorbed by absolutely necessary calls. Ministers talk of plans for reform in the collection of the "Maliat," and for the imposition of new taxes, but naturally all this requires time, and meanwhile no money is forthcoming for the payment of troops to restore order. There is no prospect of obtaining an internal loan, and, as I have reported in another despatch, the Government believe that their only hope is in the good-will of His Majesty's Government. It is to be feared that, even if money were forthcoming, the Government in present conditions would be incapable of employing it usefully.

The second obstacle, i.e., the Shah's hostility, is perhaps, in Persian eyes, an even more formidable difficulty than the lack of money. Neither the Government nor the Popular leaders can see any peaceable means of rendering him powerless for evil, and they are convinced that anything resembling actual coercion will entail the armed intervention of Russia on His Majesty's behalf. More than one well-informed Persian has assured me that were it not for this fear of Russia the Shah's life would have been attempted ere now. I am inclined to doubt that this is really the fact; only a month ago I was told that if the people of Tehran were assured that the Shah was trying to obtain money from Russian sources his life would be in imminent danger. Yet that contingency has been fulfilled, and no attempt has been made on him.

What the views of the Russian Government may be in such an emergency I do not know, but the idea of intervention has certainly been entertained in the Russian Legation. M. de Hartwig has himself plainly indicated it, and only the other day the Russian Financial Agent observed to me that unless the state of the country were speedily improved, some intervention, internal or external, with the present régime would be imperative, by which I took him to mean that if in certain contingencies the Shah could not overthrow the Assembly, Russia would be forced to help him to do so.

Till now, however, I cannot learn that the Shah has received any important sum from Russian sources, though unquestionably he obtains advice from the Legation. Indeed, it is a mystery where he obtains money to carry on his intrigues. Most probably it comes from the reactionaries, whose conversion last September to the creed of the reformers was not very sincere, and possibly also from some of his own relatives. To my certain knowledge the Zil-es-Sultan has withdrawn something over 40,000*l.* invested in consols within the last two months, which possibly is being used in the manner; but the relations of the Zil and his nephew are anything but cordial, and it is quite on the cards that the former, who is an astute old schemer, hopes that a turn of the wheel may put the throne within his grasp, and that the money is being accumulated here to enable him to seize the chance if it occurs.

But if fear of Russia may effectually discourage any attempt against the Shah himself, the same consideration would not protect the reactionaries; and I should not be much surprised should the Popular party seek to frighten His Majesty into good behaviour by the assassination of one or more of the most obnoxious of his partisans, such as Amir Behadur Jang and Saad-ed-Dowleh. The effect of the murder of the Atabek may well encourage them to repeat the lesson.

I trust that events may prove this attempt to sketch the present condition of this country to be pessimistic. Equally sombre reports have before now—as, for instance, in Sir F. Lascelles' despatches, Nos. 166, 167, and 168, Secret, of November 9th, 1892; and Mr. Conyngham Greene's despatch No. 207 of the 11th October, 1894—been sent from this Legation, and yet the storm has blown over. But there is a factor now present which was necessarily absent hitherto, namely, the idea of constitutional Government. It is still very crude, and hardly amounts to more than the consciousness

that the people have rights, and that the Shah is but a man like themselves. But the seed is sown and germinates, and unsuitable as is the ground on which it has fallen the struggle to eradicate it promises to be severe.

I have, &c.
(Signed) CHARLES M. MARLING.

[41817]

No. 444.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 267.)

(Sir,

Tehran, December 6, 1907.

THE breakdown of the Persian telegraph line between Borazjoon and Ahwaz since the 17th November has not yet been remedied, and the lack of means of communication with Captain Lorimer has, as you are aware, caused the greatest inconvenience. I have repeatedly urged the Persian Government to put the line into working order, but so far without result.

From your despatch No. 126 of the 22nd July last I understand that it is considered highly desirable by His Majesty's Government that we should obtain the control of this line for the Indo-European Telegraph Department, and I think that the present moment, when the situation in Bakhtiaristan is so critical, might be taken to bring sufficient pressure to bear upon the Persian Government to induce them to permit the line to be repaired and maintained by the Department. I am not prepared to say that it would be possible to obtain a formal contract with the Persian Government for the present, but I do not think that a better opportunity for broaching the question is likely to present itself in the near future.

I would venture to ask that if you concur in the above view I may be informed of it by telegram.

I have, &c.
(Signed) CHARLES M. MARLING.

[41818]

No. 445.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 268.)

Sir,

Tehran, December 6, 1907.

I HAVE the honour to transmit to you herewith the diaries of Captain Smyth, Military Attaché at Meshed, Nos. 43, 44, and 45.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure 1 in No. 445.

No. 43.—*Diary of Military Attaché, Meshed, for week ending November 2, 1907.*

Summary of News.

(Secret.)

TASHKENT reports the dispatch south of forty two-wheeled new pattern transport carts. This information is confirmed by our Charjui newswriter, who reports the arrival there of thirty-five of these carts.

2. Our Askabad agent reports 6 guns and 200 men of the Kuban Cossack Battery have marched from Askabad to Kahka.

3. Our Askabad agent also reports that Prince Khilkov has stopped the canal construction work at Band-i-Sultan, but has allowed it to proceed at Bairam Ali. This Askabad man was at Merv and Kushk before he went to Askabad, and has connections which enable him to know a good deal about what is going on there.

4. Sarakhs reports that 200 cattle and 500 sheep have been brought from Afghanistan for sale.

5. Garrison reports are to hand from Sarakhs, Tashkent, Kokand, Margelan, and Andijan. All these garrisons are fairly normal. Sarakhs still has 100 Cossacks who are not usually present there. Tashkent reports the abnormally large number of

1,500 Cossacks there, but we have known for some time past that an unusually large number of Cossacks was being kept there. The number of Cossacks at Margelan is below establishment; this also agrees with previous reports (by another man).

6. Strong parties of the 6th Turkestan Battalion, from Samarkand, are reported at Chernayevo and Khojent; this confirms our Samarkand agent's reports (Diaries Nos. 40 and 42) of the dispatch in this direction of half of the 6th battalion from Samarkand.

7. Cholera lingers on in Baku, twenty deaths a week being still reported there.

8. The Russians are paying great attention now to the exploitation of the mineral wealth of Eastern Turkestan. Every week we hear of discoveries of coal, oil, silver, copper, and other minerals.

9. Unusually early frosts have done considerable harm to the cotton crop in Turkestan.

10. The Russian newspapers are full of accounts of the earthquake, which affected Tashkent, Samarkand, Bokhara, and the line of the Oxus. Among other curious results, the (right) bank of the Oxus, at Kilif, sank 1 yard. I cannot ascertain that any particular damage was done to the troops, forts, barracks, magazines, or railways.

"Transcaspian Review."

October 22.—There has been sharp frost in Katta Kurgan and Bokhara; it is feared that great damage has been done to the cotton crop by this early cold.

An accident has occurred near Kamarlar, on the Caucasus Railway; one driver, one conductor, and ten men were injured.

October 23.—When eight revolutionaries were being conveyed from the Court to the prison (in Tashkent), a bomb was thrown at their escort; in the ensuing confusion several of the prisoners escaped.

October 25.—Captain Egupov, Chief of the Charjui Railway Gendarmes, has been murdered.

October 26.—In Baku, from the 14th to the 21st October, there were thirty cases of cholera and twenty deaths.

"Turkestanskiya Vedomosti."

October 20.—At Taokhechi Sai, in the Alexandrovsk division of the Tashkent district, a mine of silver and lead has been discovered.

Recent researches in the Guman Mountains have revealed the presence of large mineral wealth, including silver, copper, lead, and iron. The place where these minerals have been found is called Liakon, and is in the Isfarinski division of the Kokand district.

Askabad Reports.

October 16.—Three carriages full of men of the 3rd Transcaspian Battalion came in from W.

Two carriages full of soldiers with shoulder-badge 5 passed through W.

(Writer is probably mistaken about this badge. I do not know any corps in Turkestan with a plain 5 for shoulder-badge, except the 5th Orenburg Cossacks at Tashkent, who are most unlikely to be travelling past Askabad.—H. S.)

October 17.—Two carriages full of railway soldiers passed through W.

October 18.—Two carriages full of Frontier Guard passed through E.; they had twenty-four horses in three wagons with them.

October 19.—The (Kuban) Cossack Battery marched for Kahka by road (writer says "by the dasht," meaning apparently that they marched straight across the open country, not following the road alongside the railway.—H. S.); strength, 200 Cossacks and 6 guns.

October 20.—One hundred time-expired Taman Cossacks left W. by rail.

October 22.—Fifty of the new Lesghian Cossacks (probably 1st Astrakhan Cossacks) have left Askabad to return home, I believe. There are now only fifty of them left in Askabad.

October 24.—Most of the soldiers have now left Feroza camp. Among the last to leave were a party of 200 men of the Kushk Railway Corps, 100 of whom have just arrived in Askabad, leaving only 100 in camp.

An officer of very high rank, a former Railway Minister (Prince Khilkov), has

been to inspect the canal construction from Band-i-Sultan to Bairam Ali. He has caused the work at Band-i-Sultan to be suspended, but the work at Bairam Ali is still going on.

Sarakhs Reports.

October 9.—All the troops here—consisting of the infantry battalion with 100 Cossacks and 4 machine guns—marched in from camp on the conclusion of their annual training and went into their barracks for the winter.

October 11.—Some Heratis brought in 200 cattle and 500 sheep. They brought them through Persian territory to evade the Afghan frontier officials. All the sheep and 20 cattle were sold here; the rest were taken on to Merv.

October 12.—Twenty Cossacks marched for Pul-i-Khatun.

October 16.—All the tents that were used for the summer training camps outside the town have now been brought in and returned to store. The troops have gone into winter clothing.

Merv Reports.

October 15.—For the last fortnight recruits have been coming in from Askabad at an average of five a day; these were posted to the Merv Reserve Battalion.

October 16.—Twenty Kavkaz Cossacks left E. by rail. Six trucks loaded with iron rails sent off by Kushk train.

October 19.—Twenty wagon-loads dry lucerne came in from E.

October 20.—Four trucks full of iron rails came in from W.

October 21.—Regular military guards and patrols have been removed from the town now. The station and railway bridge are, however, still guarded by parties of soldiers.

Charjui Reports.

October 10.—One hundred bags barley and eighteen large black boxes were put on board the steamer for up-stream.

October 11.—Forty men of the 19th and 20th Turkestan Battalions left by steamer up-stream.

October 13.—Fifty soldiers passed through W. by rail.

October 16.—The whole of the infantry battalion, with two machine-guns, patrolled the town all the morning.

October 17.—Thirty-five small two-wheeled carts passed through W. by rail.

Tashkent Reports.

October 16.—I saw forty two-wheeled one-horse carts at the (C. A.) railway station in railway trucks going south. I am not sure if these carts came from Orenburg or if they were taken out of store here. These are the new pattern military transport carts.

The Sarts are much exercised in mind about the new scheme of teaching Russian instead of Persian to all children in the schools. The old-fashioned people are generally opposed to this idea.

Strength of Tashkent Garrison.—1st, 2nd, 3rd, and 4th Turkestan Battalions

Khojent and Tashkent Reserve Battalions.

5th (Orenburg) Cossacks, 1,000 strong.

Five hundred men of the 1st (? Astrakhan) and 2nd (Ural) Cossacks.

Artillery and details as usual.

This Tashkent news writer reports that he saw the following troops when travelling from Andijan to Tashkent between the 8th and 16th October:—

At Andijan.—Five hundred men of the 11th Turkestan Battalion.

Thirty men of the 1st (Semirechia) Cossacks.

At Margelan.—(During a two days' stay there) 9th Turkestan Battalion and Andijan Reserve Battalion, each full strength.

Artillerymen of different kinds equal in number to a battalion.

Five hundred men, 1st (Semirechia) Cossacks.

Two hundred men, 6th (Orenburg) Cossacks.

Three hundred men with machine guns.

At Kokand.—Five hundred men, 12th Turkestan Battalion.

At Khojent.—Three hundred men, 6th Turkestan Battalion.

Fifty Cossacks.

At Chernayev.—Two hundred men, 6th Turkestan Battalion.

(Signed) H. SMYTH, Captain,
Military Attaché.

Meshed, November 2, 1907.

Inclosure 2 in No. 445.

No. 44.—*Diary of Military Attaché, Meshed, for week ending November 9, 1907.*

Summary of News.

(Secret.)

KRASNOVODSK reports departure of 450 time-expired Cossacks and arrival of 600 Cossack recruits and 50 recruits for the Railway Battalion.

2. Merv confirms this by reporting departure of 120 time-expired Cossacks and arrival of 100 Cossack recruits.

3. The "Transcaspian Review" also reports the arrival of an "echelon" of Cossacks as "reliefs" for the Cossack battery at Kahka and the Cossack regiment at Merv.

4. These reports seem to show that these newly arriving Cossacks are not raw recruits, but men who are at least partly trained, as they were in uniform, and Krasnovodsk mentions 400 of them as having their horses and swords with them, while the remaining 200 had their rifles.

5. It is noticeable that Krasnovodsk says these 200 rifles were of a new pattern with special ammunition. In this connection see Tashkent report in Diary No. 10, in which the arrival of a number of new-pattern rifles at Tashkent is noted.

6. In our Merv report of the departure of 120 time-expired Cossacks, writer says that they took forty horses away with them. This may be a horse-breeding experiment, to take good Turkoman stock to cross with the Cossack Caucasian horses.

7. Krasnovodsk reports the arrival of further heavy consignments of railway material, and partly explains this by saying that worn-out rails are being replaced between Krasnovodsk and Kizil Arvat.

8. Tashkent reports departure of 70 time-expired men, and arrival of 40 or 70 recruits—it is not quite clear which.

9. Tashkent reports that the Imperial Russian Bank is issuing a prospectus of the proposed Kokand-Namangan Railway Company.

10. Sarakhs reports that the late good harvest has caused the Government store sheds to be so full of "revenue" wheat and barley that the authorities are selling the wheat-flour to a local merchant, probably a baker, at a low rate—much lower, indeed, than prevails at Meshed even, where cereals are generally much cheaper than over the frontier.

11. The Sarakhs authorities are offering the inducement of free meals to Turkoman children attending the Russian school—a wile perhaps borrowed from our London "Progressives."

12. Our Samarkand agent reports an interesting conversation between Sirdar Ishak Khan and a Russian Staff Officer of rank on the Afghan question. Our correspondent is in a position to be able to report such a conversation, but it is not necessary to attach any importance to it, as a Russian officer of the "forward" school would be sure to talk in this manner, with or without foundation.

13. The "Transcaspian Review" gives a detailed account of the robbery of 170,000 roubles from a train on the Caucasus Railway, after a fight of three-quarters of an hour with the military escort.

14. Immediately after this the Transcaspian authorities issued orders increasing the strength of the military escort to travel on every train.

15. General Grodekov, too, issued a general order commenting most unfavourably on the slackness of guards and escorts, and threatening severe treatment if it continued.

16. The revolutionaries are killing Policemeisters and Pristavs with alarming frequency. All these outrages seem to take place on or near the railway. Our

Samarkand agent says, too, that the Andijan Branch railwaymen are giving a lot of trouble.

17. It is worth noting that the Chief of the T. O. Railway has visited Bairam Ali.

"Transcaspian Review."

October 27.—There will be a parade of the troops in Askabad on the 30th instant. Half a company will be present from each infantry battalion, half a battery from the 1st and 3rd Batteries 2nd Artillery Brigade, 50 Taman Cossacks.

Orders have been issued to the Askabad Administration that the escort which every train is to carry for its protection shall be 1 under-officer, 12 soldiers, and 1 courier.

On the 21st October Engineer Stuckenberg, Chief of the Tashkent-Orenburg Railway, arrived in Tashkent, and at once went on to Bairam Ali by train No. 4.

On the 25th October the Policemeister of Bala Kani was murdered near the (Baku) railway station.

October 29.—On the 24th October the mail train left Tiflis for Batoum with 170,000 roubles cash, escorted by eight soldiers. At the 134th verst from Tiflis the train was held up by a band of fifty robbers. A fight took place between the robbers and the train guards, which fight lasted forty-five minutes. During the fight the robbers threw four bombs into the train. In the end the attackers carried off all the cash, after killing one conductor and one passenger and wounding five soldiers. One wounded robber was carried off by his comrades. To enable them to carry off more plunder, some of the robbers threw away all their encumbrances, including their arms.

October 30.—On the 28th October the 2nd company of the 1st Railway Battalion was transferred from Tejend to Askabad. Railway troops from Kushk will replace the 2nd company at Tejend.

An "echelon" of Cossacks has arrived at Kahka and Merv as reliefs for the Cossack battery and regiment quartered in those two places.

October 31.—General Grodekoff has published an order commenting adversely on the discipline of the troops, and especially on their slackness in guard and escort duties. He instances the large number of prisoners that have escaped lately, and the number of rifles that have been stolen. He states his intention to punish such slackness with the utmost severity.

November 1.—The city of Karatag, in the country of Bokhara, has been overwhelmed by the earthquake, with its whole population of 15,000 people. A hill fell on the town.

There is cattle plague on the Morghab, where the Imperial domains are.

November 2.—Up to the present 1,200 corpses have been extricated from the ruins of Karatag.

A bomb has been thrown at a party of gendarmes in Tashkent, but none of them was injured.

From the 21st to the 28th October there were eleven cases of cholera and three deaths in Baku.

"Turkestan'skiya Vedomosti."

October 25.—On the 23rd October a Pristav Police Captain was killed near the railway station of Samarkand by the revolutionaries.

October 26.—Frost and hail have completely spoiled the magnificent Turkestan cotton crop when it was just ripening.

A Commission has been appointed to go to the Ferghana and Samarkand districts to see how much has been saved.

A mixed train has run off the line near Darbaza, on the Tashkent Railway. It is not known yet what damage was done.

Krasnovodsk Reports.

The following time-expired soldiers have arrived from E. :—

October 18.—One hundred Taman Cossacks. These left for Baku next day.

October 24.—Two hundred Kavkaz Cossacks. These left for Baku on the 26th October.

October 27.—One hundred and fifty Kavkaz Cossacks. These left for Baku the same day.

The following have arrived by steamer :—

October 16.—Fifty recruits for the Railway Battalion. These left E.

October 17.—A complete cargo of railway sleepers; 450 boxes rifle ammunition. These were sent off E.

October 19.—Two hundred Taman Cossack recruits, with horses and swords, but without rifles. These left E.

October 22.—Two hundred civilian Russian railway workmen, mostly Molokans. These left E. next day.

A cargo of sleepers, rails, and fishplates. (Writer minutely describes the use of each of these component parts of a railway.—H.S.) Fifty truck-loads of the above material were taken out of this steamer.

October 25.—Two hundred Kavkaz recruits, with horses and swords, but without rifles. These left E.—for Kushk, they said.

October 27.—Two hundred Kavkaz Cossack recruits. People here said they had new-pattern rifles with them. They had rifles, but these were in leather covers, so I could not see the pattern. They brought 100 boxes of ammunition with them for these new rifles.

There is the following other news :—

October 23.—Nine trucks full of railway material were sent off E.

I hear that some of this railway material that is coming in now is being used to replace worn-out rails between Krasnovodsk and Kizil Arvat.

Garrison of Krasnovodsk.—Krasnovodsk Reserve Battalion, 800 strong.

1st Railway Battalion, 400 strong.

Soldiers with black shoulder-straps, but no badges or numbers, 100 strong.

Frontier Guard, 50 strong.

Sarakhs Reports.

October 19.—Forty Kavkaz Cossacks left for Pul-i-Khatun.

October 20.—One hundred camel-loads of dry lucerne sent to Pul-i-Khatun.

October 21.—The store-sheds here are full to overflowing of wheat and barley, which have been paid in as revenue "in kind" by the Turkomans. Four cart-loads of this wheat are ground every day, and the flour is sold to an Armenian contractor here at 4½ krans per poud. Two hundred pouds were sold to this man at this rate to-day.

October 22.—The Governor asked the Turkoman Elders why their boys were not attending the (Russian) school regularly. They replied that Turkomans do not care to send their children to school "by order," but that each Turkoman can send his children at his own free choice. The Governor informed them that all children attending school will be supplied with free meals of meat, bread, and tea, with sugar.

October 23.—The Governor of Askabad arrived and inspected all Government property. He also saw the troops on manoeuvre-parade, where they did a lot of (blank) firing.

Merv Reports.

October 23.—Ten waggon-loads dry lucerne and some barley came in from W.

October 25.—One hundred and twenty time-expired Cossacks left W. with forty horses.

October 28.—One hundred Kavkaz Cossack recruits arrived from W.

October 29.—Six truck-loads iron rails sent off by Kushk train.

Charjui Reports.

October 20.—One hundred 3-poud bags of barley came in from E.

October 21.—Eighty soldiers passed through E. during the night; I could not ascertain their badges.

October 22.—Last night the Pristav was murdered; the murderer escaped.

October 23.—One hundred boxes rifle ammunition and ten large boxes ordnance stores arrived from E. and were put on the steamer for Khiva.

October 24.—One hundred time-expired men of the 20th Turkestan Battalion came in by steamer and left for E. by rail.

October 27.—Fifty soldiers, badge "1," passed through W.

Samarkand Reports.

October 20.—A Staff Officer of high rank came from Tashkent and paid a visit to Sirdar Ishak Khan. This officer informed the Sirdar that the Government proposed to make a large increase shortly in the strength of the Samarkand garrison. He also said that the Sirdar must not think that the "Convention" in any way affected the Russian plans for increasing their influence in Afghanistan, and that they had every intention to take possession of the whole or part of that country when an opportunity occurred.

October 24.—The detachments of the 6th Turkestan and Zerabulak Battalions have not yet returned to Samarkand from the Andijan Railway. I hear that the railwaymen on that branch are giving a lot of trouble.

A few small parties of time-expired men have left, but I have not noticed the arrival of any recruits. The strength of the garrison remains practically unaltered, with the exception of the absence of the detachments of the 6th Turkestan and Zerabulak Battalions before noted.

Tashkent Reports.

October 17.—Forty recruits for the 2nd Turkestan Battalion came in by T. O. Railway.

October 18.—Thirty Cossacks left by C. A. Railway—for Orenburg, they said.

October 22.—Two waggon-loads of sealed boxes came in by T. O. Railway and were taken to the magazine. A large amount of flour and rice came in too.

October 23.—Thirty time-expired soldiers arrived from Margelan.

October 24.—Four waggon-loads of regimental stores came in by T. O. Railway. Five cart-loads soldiers' clothing sent to the station for dispatch south.

October 25.—Forty time-expired men came in by the train from Andijan.

October 26.—One hundred boxes of rifle ammunition came in from Orenburg.

The Imperial Russian Bank is issuing the prospectus of the Kokand-Namangaon Railway Company. This railway is to be built, owned, and managed by a private company. The Government is to have the option of purchasing the railway after thirty years.

(Signed) H. SMYTH, Captain,
Military Attaché.

Meshed, November 9, 1907.

Inclosure 3 in No. 445.

No. 15.—*Diary of Military Attaché, Meshed, for week ending November 16, 1907.*

Summary of News.

(Secret.)

LIEUTENANT-GENERAL PETRAKOV is inspecting the practice (shooting) of the Askabad and Kahka batteries.

2. Askabad reports that 230 soldiers have passed eastwards and 310 westwards. These seem to be recruits and time-expired men respectively, though newswriter does not seem quite clear about all of them.

3. Askabad also reports that the departure of 1,010 time-expired men from the Askabad garrison has been sanctioned.

4. Sarakhs reports that 100 Cossacks have arrived at Sarakhs from Tejend, this number being in addition to the 100 already at Sarakhs and the 100 at Pul-i-Khatun. These fresh Cossacks say they are going to Meshed if trouble occurs there. This strengthening of the mounted troops at Sarakhs or Pul-i-Khatun with a view to possible contingencies in Khorasan is confirmed by reports to the same effect from the Persian side of the frontier.

5. In diary No. 13 our Sarakhs newswriter reported that a drove of Afghan cattle had gone on to Merv for sale. Now our Merv newswriter reports the sale of the cattle and the murder of all their Afghan owners, who were proceeding back to Afghanistan with the sale money of the cattle in Persian silver coin in their possession—a tragic ending to the cattle deal, and one not likely to encourage Russo-Afghan trade.

6. In connection with remarks in paragraph 5 in last week's diary on the subject of a new-pattern rifle with different ammunition, it is worth noticing Merv agent's remarks this week on the subject of a change in the rifle ammunition boxes.

7. Samarkand reports the departure of two Colonels with a special escort on a "mission" to the Afghan frontier.

8. Prince Khilkov has left Turkestan for St. Petersburg. He has secured a Petroleum Concession in Ferghana, and an important Railway Concession in the country lying between the Siberian and Tashkent Railways.

"Transcaspian Review."

November 3.—Colonel Gesket, Chief of the C. A. Railway, has been appointed Chief ("Nachalnik") of the Imperial train (I take it that this is a purely honorary appointment.—H. S.).

Prince Khilkov left for St. Petersburg on the 29th October. He has secured a Concession for petroleum at Maili-Sai, in the Ferghana Province, and also a Concession for the Chelabinsk-Troitsk-Kustonai-Akmolinsk-Semipalatinsk Railway.

On the 14th November, by order of General Grodekov, the Artillery General Lieutenant-General Petrakov will inspect the practice (firing) of the 1st and 3rd Quick-firing Batteries of the 2nd Brigade near Askabad. He will see the practice of the 4th Cossack and 6th Mortar Battery at Kahka. The batteries will be in full war strength and equipment, and the shooting will be carried out as in actual war.

November 6.—On the 30th October passenger train No. 5 ran off the line at the 1605th verst (from Krasnovodsk) owing to the rails spreading. Five carriages were injured.

Askabad Reports.

October 28.—Seventy men for the 1st Railway Battalion passed E.

October 29.—Eighty men for the Kavkaz Cossack Regiment passed E.

November 1.—One hundred and fifty men of the Merv Reserve Battalion, 2nd Artillery Brigade, and other corps passed through W.

November 2.—A bomb was thrown into the Askabad Post Office. Two soldiers on duty there were killed.

Two carriages full of men for the 8th Transcaspian Battalion passed through E.

November 3.—Sixty men of the Geok Tepe Reserve Battalion left W.

Nine carriages full of prisoners came in from W.

November 4.—One hundred mixed time-expired men passed through W.

Orders have been issued sanctioning the departure from Askabad at an early date of 1,010 time-expired men of the Askabad garrison.

Sarakhs Reports.

October 25.—The Governor of Sarakhs left for Pul-i-Khatun with 20 Cossacks.

Fifty camel-loads of dry lucerne, 50 camel-loads of barley, and 10 cart-loads of flour were sent off for Pul-i-Khatun.

October 28.—A rifle was stolen from the barracks last night, so a general search was made in the town, especially of the Armenian shops and houses.

October 29.—Twenty time-expired infantry and 10 time-expired Cossacks left for Tejend.

October 30.—I started for Tejend, as I had heard that a strong force of infantry and Cossacks was collected there. On the way to Tejend I met 100 Kavkaz Cossacks who were going to Sarakhs. These Cossacks had been saying openly that they were going to Sarakhs or Pul-i-Khatun to remain there in readiness to march to Meshed if required there.

October 31.—I arrived in Tejend and found there 100 railway soldiers and 10 Kavkaz Cossacks.

(From Tejend our Sarakhs newswriter came on to Meshed by rail to report personally about these Cossacks who had gone to Sarakhs. He has been sent back to observe their movements and to report on the strength at Pul-i-Khatun.—H. S.)

Merv Reports.

October 29.—Thirty of the new Lesghian Cossacks arrived from Askabad. These Cossacks are Sunni Mussulmans. They had the No. 4 on their shoulders.

(I expect this is a mistake, and that they had No. 1 on their shoulders, which

writer mistook for 4; as written by the Russians, it is easy to mistake 1 for 4.—H. S.)

October 30.—The Headman of the Cossacks, who arrived yesterday, went to the mosque and gave 30 roubles to the Mullahs for the poor. Three of his men followed him with their rifles.

October 31.—A large drove of cattle was brought here some little time ago from Afghanistan by a party of Afghans. These cattle were sold here for 7,000 roubles, which sum was paid in Persian silver coin. The Afghans left by road to return to Afghanistan via Penjdeh, taking the 7,000 roubles with them. News has just been received here to the effect that these Afghans were waylaid by a party of ten robbers near Yulatan, who killed all of them and went off with the 7,000 roubles.

November 3.—Two waggon-loads of boxes of rifle ammunition came in from W. These boxes were carefully packed in matting and straw, and, though exactly resembling the ordinary rifle ammunition boxes, were slightly larger than usual. I am sure about this, as I am well acquainted with the appearance of the usual ammunition boxes. They were taken to the magazine.

November 4.—Forty Kavkaz Cossacks with twenty horses left W.

Samarkand Reports.

October 26.—A police officer was murdered at the railway station on the 23rd October; the murderer escaped.

November 2.—Two Colonels with an escort of twenty picked men of the Frontier Guard have left on a "mission" to the Afghan frontier, near Patakisar. I could not ascertain the nature of this mission; since the Ameer's visit to Mazar-i-Sharif the Russians seem to be on more intimate terms with the Afghans, and the number of men of all kinds that come and go between the Russians and Afghans has much increased.

The troops sent to the Andijan branch line have not returned yet. They are guarding the railway; all the railway stations are now held by parties of soldiers on account of the disaffection of the railwaymen.

No particular number of time-expired men have left from this garrison yet, and no recruits have arrived, so the strength of the garrison remains the same.

(Signed) H. SMYTH, Captain,
Military Attaché.

Meshed, November 16, 1907.

[41820]

No. 446.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 16. Commercial.)

Tehran, December 4, 1907.

Sir, MR. LORAINÉ has been able to obtain, by the kindness of M. Wibier of the Customs Administration, the general figures of the external trade of Persia for the past year, 1906-1907, though as yet no commercial statistics have been published.

The total imports amount to 431,039,773 krans (8,620,795*l.* 10*s.*), being an increase of 44,576,682 krans (891,533*l.* 12*s.*) on the preceding year.

The exports amount to 353,376,841 krans (7,067,536*l.* 16*s.*), being an increase of 60,233,510 krans (1,204,670*l.* 4*s.*).

The value of the total external trade has increased by 104,810,192 krans (2,096,203*l.* 16*s.*), or about 13·3 per cent.

This increase seems even more remarkable than the increase of 13 per cent. in 1905-1906, reported in Sir Cecil Spring-Rice's despatch No. 5, Commercial, of the 5th March, 1907, inasmuch as in that year trade was enjoying a natural recovery from the commercial depression occasioned in 1904-1905 by the Russo-Japanese war.

I take this opportunity of correcting a mistake made inadvertently in Sir C. Spring-Rice's despatch above referred to. The figures of the increase of imports from the British Empire should read 2,690,528 krans (49,080*l.*), converted at 55 krans to the £, instead of 27,590,048 krans (501,637*l.*) as therein stated.

I have the honour to transmit herewith two Tables—

(A.) Showing a rough analysis of the Customs revenues for 1906-1907; the total receipts show an increase of about 110,895*l.* on the preceding year.

(B.) A comparative Table of Persian imports and exports and Customs revenue during the last five fiscal years.

In the latter I venture to draw your attention to the proportion of exports to imports, which indicates a distinct advance in the direction of a better equilibrium in trade.

The conversion of the figures for 1906-1907 into pounds sterling has been effected at the rate of 50 krans to the £, that being approximately the mean rate of exchange during the period in question.

I have, &c.
(Signed) CHARLES M. MARLING.

Inclosure 1 in No. 446.

(A.)—TABLE of Persian Customs Revenues in 1906-7.

							Krans.
Imports—							
North	..	..	..	..	..	..	17,510,665
South	..	..	..	..	..	..	6,873,624
Exports—							
North	..	..	..	..	..	..	2,845,193
South	..	..	..	..	..	..	1,608,768
Chancellerie, Entrepôts, Plombage, Hamalage, &c.—							
North	..	..	..	..	..	..	1,763,112
South	..	..	..	..	..	..	443,383
Total	..	..	..	..	..	..	31,044,745*

* *I.e.*, at 50 krans per £ = 620,894*l.* 18*s.*

Inclosure 2 in No. 446.

(B.)—COMPARATIVE Table of Persian Imports and Exports and Revenues derived from Customs during the last five Fiscal Years.

		Pars-II.	Tavechkan-II.	Loui-II.	Han-II.	Yount-II.
		1902-3.	1903-4 New Tariff	1904-5.	1905-6.	1906-7.
		Krans.	Krans.	Krans.	Krans.	Krans.
Imports	..	273,442,664	385,036,158	349,914,613	386,463,091	431,039,773
Exports	..	189,020,079	254,774,501	247,961,310	293,113,331	353,376,841
Total	..	462,462,743	639,810,662	597,875,953	679,606,422	784,416,614

Proportional Percentage of Imports and Exports to Total Trade.

Imports	..	59·10	60·33	58·52	56·865	54·95
Exports	..	40·90	39·67	41·48	43·135	45·05

Customs Revenue.

£	£	£	£	£
415,800*	607,400*	521,400*	510,000*	620,894

* In round figures.

The imports and exports for 1906-7 are subdivided as follows:—

		Krans.	Krans.
Imports—			
Northern ports .. .. .	..	328,165,278	
Southern ports, including Mohammerah ..	..	102,874,495	
			431,039,753
Exports—			
Northern ports .. .. .	..	297,460,081	
Southern ports, including Mohammerah ..	..	55,916,750	
			353,376,841
Total .. .. .	..		784,416,614

[41839]

No. 447.

Sir A. Nicolson to Sir Edward Grey.—(Received December 23.)

(No. 610.)

Sir,

St. Petersburg, December 12, 1907.

M. ISVOLSKY observed to me yesterday that he was anxious as to the situation at Tabreez, and that the Russian Consul was bombarding him with telegrams, soliciting additional protection for Russian subjects and Russian interests. The Persian Governor-General admitted that he was quite powerless to maintain order, and in these circumstances M. Isvolsky felt that a serious responsibility fell upon the Russian Government if any regrettable consequences were to ensue. There were several Russian subjects at Tabreez, and, besides the Consulate, protection would have to be afforded to the Russian Bank and the Russian establishment connected with the carriage roads. All these institutions were situated at some distance apart from each other, and if he were to increase the Consular guard by some twenty-five men he doubted if, in the event of a fanatical rising, such a reinforcement would be sufficient for the purpose of defence. Moreover, it was a little risky sending a small body of men into Persia at this moment.

There was the alternative of concentrating some troops on the frontier, with the object of making a military demonstration, but he hesitated to take this step, as it might still further arouse fanatical feeling in Persia, and not exercise a salutary calming effect. He would, moreover, be obliged to show that the lives and interests of Russian subjects were in imminent danger in order to persuade the Russian military authorities to acquiesce in such a measure. The latter were much opposed to moving any troops towards the Persian frontier, especially at this season of the year, and they were disinclined to initiate any steps which might lead them further than was originally contemplated. The military authorities and himself were anxious to maintain an attitude of absolute non-intervention in Persian affairs. At the same time, he could not conceal from himself that there was some risk in leaving matters as they were, though he was exceedingly puzzled as to what to do.

I had no suggestions to offer to M. Isvolsky, as the problem is a difficult one, and all I could say was that it would be well to take local advice on the subject and await developments.

I have, &c.
(Signed) A. NICOLSON.

[41849]

No. 448.

Sir A. Nicolson to Sir Edward Grey.—(Received December 23.)

(No. 620.)

Sir,

St. Petersburg, December 17, 1907.

ON receipt of your telegram No. 349 of the 15th instant, I called on M. Isvolsky and communicated to him the substance of the telegrams which had been received from Mr. Marling in regard to the crisis which had occurred at Tehran; and I requested his Excellency to be good enough to send instructions to M. de Hartwig to act in co-operation with Mr. Marling in taking such steps as might be possible towards the prevention of any disturbances. M. Isvolsky remarked that he did not understand what steps the two Representatives would be able to take in present circumstances, and I told his Excellency that it was of course difficult to define from London or from St. Petersburg any precise course of action, but that the main point was that the two Representatives should act in unison and do what seemed best in the

existing difficulties. M. Isvolsky said that it would doubtless be well to leave a certain liberty of action to the two Representatives, and he quite agreed that they should concert together, and would instruct M. de Hartwig accordingly.

He read to me several telegrams which he had received from M. de Hartwig, which explained that the origin of the trouble apparently arose from a demand made by the Political Committees that the Shah should banish certain personages in his entourage who were displeasing to them and to the Assembly. His Majesty had declined to meet their wishes on the ground that such a course would not be in accordance with the Constitution, which guaranteed liberty of person to individuals. The Shah had then summoned the Cabinet to the Palace, and all the Ministers appeared with the exception of the Prime Minister, who had to be brought by force, and was arrested, though subsequently released. The Cabinet had confessed their inability to deal with the present crisis, and their resignations were consequently accepted by the Shah.

It was also mentioned that the Assembly was in session, and that its sittings were attended by the Zil-es-Sultan, to whom was attributed a desire to place himself on the Throne. A large number of people were promenading the streets cheering for the Shah and condemning the Constitution, and the troops apparently were loyal.

M. Isvolsky observed that the only course to take was to await the development of the crisis, and he reiterated his strong desire to abstain from all intervention in Persian affairs.

I have, &c.
(Signed) A. NICOLSON.

[42006]

No. 449.

Mr. Marling to Sir Edward Grey.—(Received December 23.)

(No. 409.)

(Telegraphic.) P.

Tehran, December 23, 1907.

TEHRAN situation. With reference to your telegram No. 207 of the 22nd instant, the Russian Minister and I have spoken to Zil-es-Sultan as indicated in my telegram No. 404 of the 21st instant.

The precincts of the Assembly are still crowded. The Shah acceded to all the demands of the Assembly last night, but the latter, before accepting his oath to observe the Constitution, is formulating further conditions.

It is a significant fact that a telegram from Tabreez, proclaiming the Shah's deposition, was addressed to the German Legation, and marked "Copies to other Missions." It is undoubted that, with the object of internationalizing Persian affairs, as in Morocco, the German Chargé d'Affaires inspired an intention on the part of the Assembly to invite all the foreign Representatives to witness the ceremony of the Shah's oath-taking.

We shall, I think, be able to prevent the invitation being sent, and I think that in any case the majority of the foreign Representatives would decline.

The French Minister is giving most valuable support.

[41766]

No. 450.

Sir Edward Grey to Mr. Marling.

(No. 208.)

(Telegraphic.) P.

Foreign Office, December 23, 1907.

SITUATION in Tehran.

In reply to your telegram No. 404 of the 21st December, No. 3 goes too far, but the first and second proposals meet with my approval.

Zil-es-Sultan should merely be referred to terms on which protection was afforded him, and of which the essential condition is that he should remain loyal to the Shah. (Please refer to despatch No. 90 of the 21st June, 1902, from His Majesty's Chargé d'Affaires at Tehran.)

With regard to question of succession, any interference in the matter should be avoided as much as you possibly can.

[41727]

No. 451.

Sir Edward Grey to Mr. Marling.

(No. 209.)

(Telegraphic.) P.

Foreign Office, December 23, 1907.

CUSTOMS question in Persia: I have received your telegram No. 401 of the 21st December.

If M. Priem received appointment, what view would be held of matter by Russian Minister?

British representations alone would not have as great an effect at Brussels as would Anglo-Russian joint ones. Instructions shall, however, be sent to Sir A. Hardinge as suggested by you, if attitude of your Russian colleague is not to be regarded as satisfactory.

[42084]

No. 452.

India Office to Foreign Office.—(Received December 24.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Government of India, dated the 22nd instant, relative to proposed measures for the protection of British subjects in Persia.

India Office, December 23, 1907.

Inclosure in No. 452.

Government of India to Mr. Morley.

(Telegraphic.) P.

December 22, 1907.

SHIRAZ. Your telegram dated the 18th instant.

We have taken no action regarding dispatch of force to Persia, and without your definite orders no such action will be taken. In order, however, to be prepared for all possible eventualities, scheme has been worked out on paper by military authorities.

[42122]

No. 453.

Mr. Marling to Sir Edward Grey.—(Received December 24.)

(No. 410.)

(Telegraphic.) P.

Tehran, December 24, 1907.

TEHRAN situation.

The Popular party recognize that the Zil-es-Sultan would be a more formidable enemy than the present Shah, and there is little likelihood of their now accepting him as Regent or Shah in case of deposition of the present Shah.

Zil-es-Sultan had been trying to make it seem that he has our countenance by constantly sending his sons to the Legation. It was necessary to check this. He has undoubtedly been working against the Shah in the hope of seizing the throne.

With reference to your telegram No. 208 of the 23rd instant, the communication made by myself and the Russian Minister to him was expressly to remind him of the conditions of our protection, i.e., his loyalty to the Shah. We also reminded him that the two Governments had agreed to recognize the Valiahd as successor.

[42130]

No. 454.

Mr. Marling to Sir Edward Grey.—(Received December 24.)

(No. 411.)

(Telegraphic.) P.

Tehran, December 24, 1907.

ASSEMBLY are not likely to be satisfied with composition of Ministry formed under Nizam-es-Saltaneh.

Bazaars are still closed, but though town is quiet, Assembly is still surrounded by armed crowds, who, in order that the assaults and robberies which take place every night may be put an end to, demand execution of two leaders of Shah's roughs.

[42139]

No. 455.

Mr. Marling to Sir Edward Grey.—(Received December 24.)

(No. 412.)

(Telegraphic.) P.

Tehran, December 24, 1907.

MY telegram No. 411 of to-day.

Within the last few hours the situation here has developed to a very dangerous degree. Russian Minister and I have agreed, as the result of a long discussion, to telegraph to our Governments as follows:—

"The situation appears to us to be big with danger, in spite of reconciliation between Shah and Mejliss and the apparent calm. People are openly discussing the dethronement and assassination of Shah, an eventuality which is, in our belief, perilously near. Assembly, Ministers, and Government have no means of controlling Revolutionary Committees, and are equally under their influence. In Tehran there is now no man capable of averting danger or of controlling the situation. The people are masters of the situation, and ready to take the most extreme measures against the Shah, and no kind of authority exists.

"We are convinced that the country is on the eve of a revolution, though for a few days calm may be maintained.

"It may be that our Governments desire to concert as regards measures which may become necessary.

"The situation is viewed by our French colleague in as grave a light as by ourselves."

[42140]

No. 456.

Mr. Marling to Sir Edward Grey.—(Received December 24.)

(No. 413.)

(Telegraphic.) P.

Tehran, December 24, 1907.

TEHRAN situation.

Though it is quite possible that matters may again improve locally for a time without violence, I believe the situation to be correctly described in my immediately preceding telegram (No. 412 of to-day's date).

There is no sign of anti-foreign feeling.

Saad-ed-Dowleh has taken refuge in the Dutch Legation.

The crowds round the Assembly are increasing.

The Assembly is doing its best to control the Anjumans, but is apparently powerless. I am giving the Consuls such information as I can which may be used to calm excitement in the provinces, which the agitation against the Shah has now also gained. This seems to me to be especially ominous.

(Confidential.)

The efforts of the German Chargé d'Affaires to internationalize Persian affairs, by inspiring mistrust of the two Powers, has largely neutralized the influence of the Russian Minister and myself, and though our action of the 22nd produced the best results, we have been unable to persuade the Assembly to receive, through its President, the declaration of the Shah's pledges made to us. Russian Minister and I cannot see how to take effective action here.

[42141]

No. 457.

Mr. Marling to Sir Edward Grey.—(Received December 24.)

(No. 414.)

(Telegraphic.) P.

Tehran, December 24, 1907.

M. PRIEM (Persian Customs).

M. de Hartwig will inform his Government in same sense. He entirely agrees. Reference is to your telegram No. 209 of the 23rd December.

[41768]

No. 458.

Sir Edward Grey to Sir F. Bertie.

(No. 143.)

(Telegraphic.) P.

Foreign Office, December 24, 1907.

FINANCIAL Adviser in Persia. Please refer to Mr. Marling's telegrams No. 401 of the 21st instant and No. 406 of the 22nd instant.

You should inquire into the present position of affairs, and point out that the acceptance of the contract without further delay is a matter of great importance.

[42144]

No. 459.

Sir A. Nicolson to Sir Edward Grey.—(Received December 25.)

(No. 267.)

(Telegraphic.) P.

St. Petersburg, December 25, 1907.

WITH reference to the affairs of Persia, the Minister for Foreign Affairs here has received a telegram identic to Mr. Marling's telegram No. 412 of the 24th instant. At the present juncture he does not see what action the two Governments can take, and thinks that it is best to await events. The restoration of order and calm is desired by the Russian Government, and so long as these essential conditions are secured it is a matter of comparative indifference to them which Shah reigns or what Government is established. The earnest desire of the Russian Government to abstain from any military intervention was again impressed on me by M. Isvolsky.

The action of the German Chargé d'Affaires at Tehran was mentioned by Minister for Foreign Affairs to the German Ambassador here to-day. The latter said that beyond attending the Assembly for the sake of information, the German Chargé d'Affaires had taken no action. The German Ambassador added that an intervention for the purpose of obtaining privileges in return for effecting an arrangement had, he had heard, been resorted to by the Representatives of Great Britain, France, and Russia.

The latter insinuation was categorically denied by M. Isvolsky as being without a vestige of truth. The British and Russian Representatives, as representing the Powers with the most direct and vital interests in Persia, had, M. Isvolsky said, intervened solely in the hopes of being able to effect some *modus vivendi* between the Shah and the Assembly, in order that some peace and order might be introduced. Though the French Representative had very naturally been consulted by his two colleagues, he had not, M. Isvolsky said, intervened.

His Majesty's Representative at Tehran has been acquainted with the above.

[42139]

No. 460.

Sir Edward Grey to Sir A. Nicolson.

(No. 358.)

(Telegraphic.) P.

Foreign Office, December 25, 1907.

YOU should communicate substance of my telegram No. 210 of to-day to Mr. Marling to Russian Government. At the same time, state that His Majesty's Government hope that similar instructions may be sent to Mr. Marling's Russian colleague.

[42139]

No. 461.

Sir Edward Grey to Mr. Marling.

(No. 210.)

(Telegraphic.) P.

Foreign Office, December 25, 1907.

THE Shah and the Tehran crisis.

Please refer to your telegram No. 412 of yesterday's date.

In general, your attitude in the Shah's conflict with his people should be one of strict neutrality.

You should not refuse the Shah admittance to His Majesty's Legation if he seeks "bast" there, unless such a course seemed likely merely to endanger the lives of others without any certainty of saving his own; and it should be made perfectly clear that such asylum is given to him on the same terms as to any Persian who might apply for it in similar danger, as it is important that no one should have ground for believing that the Shah has our support in his struggle against the Assembly. We should also be ready to hand him over to the authorities, subject to our receiving adequate assurances that he would be permitted to leave Persia without any attempt being made on his life.

As to guards, if His Majesty chooses the British Legation as his place of refuge, you need not ask for assistance from the Russians unless an attack is made; and conversely you need not furnish British guards if he goes to the Russians.

In regard to Zil-es-Sultan's candidature for the throne, we should not be hostile in all circumstances, and I trust your communication to him may not be so interpreted. I gather from your later telegram that it is desirable he should not turn elsewhere for protection, as his chances, though small, are not altogether unworthy of consideration. Presumably it would do more harm than good to supplement previous communication by explaining to him that our object was solely to prevent him plotting against the Shah on the strength of our joint protection.

[42145]

No. 462.

Sir F. Bertie to Sir Edward Grey.—(Received by post, December 26.)

(No. 69.)

(Telegraphic.) *En clair.**Paris, December 25, 1907.*

YOUR telegram No. 143 of yesterday.

French Financial Adviser in Persia. Substance of telegrams referred to communicated to Political Director. He states that French Government are very much alive to the necessity of getting matter settled. The difficulties arose largely from the fact that the contract was approved by the Persian Assembly before the French Government had been given a proper opportunity of considering it. The French Minister of Finance was brought into the matter as the official superior of M. Bizot, and there are several points which the French Government consider unsatisfactory and unfair to M. Bizot. For instance, it is not stipulated what his exact title shall be—that of Financial Adviser is not mentioned. To allow him to start till such points are settled would be to run the risk of his finding himself in false position on arrival.

Negotiations are proceeding with the Persian Government, and M. Louis hopes that the difficulties may be removed.

[42163]

No. 463.

Sir A. Nicolson to Sir Edward Grey.—(Received December 26.)

(No. 268.)

(Telegraphic.) P.

St. Petersburg, December 26, 1907.

REFERRING to my telegram No. 267 of yesterday's date respecting Persia, M. Isvolsky read to me to-day a telegram which he has sent to the Russian Ambassador at Berlin, from which it appears that the German Ambassador was acting upon instructions from his Government when he had stated that Germany had no political aims in Persia, but merely economic and commercial interests; that no active part had been taken in the recent events by the German Chargé d'Affaires, but that complaint might rather be made by Germany that advantage had been taken of the situation by Great Britain, France, and Russia to play a predominant part, and in return for bringing about a compromise to obtain privileges.

[1549]

A telegram in the sense of my immediately preceding telegram has now been dispatched by M. Isvolsky to the Russian Ambassador at Berlin, instructing him, while communicating these observations to M. von Schön, to express the hope that the German Chargé d'Affaires would avoid anything which could complicate the situation, and that instructions might be sent to him in this sense.

[42164]

No. 464.

Sir N. O'Connor to Sir Edward Grey.—(Received December 26.)

(No. 172.)

(Telegraphic.) P.

Constantinople, December 26, 1907.

FOLLOWING from Mr. Wratislaw, dated Urmia, the 19th instant, received the 26th instant:—

“(No. 34.)

“The day before yesterday two Russian Cossacks were attacked by a party of Kurds on the road to Selmas, and had to fight their way through; and on the same day a Russian caravan was plundered by another party 20 miles from Urmia on the same road. Russian traders say that the insecurity is ruining them, and have made collective representations to their Vice-Consul to this effect.

“The idea of inviting the Turks to intervene appears to be becoming more and more popular.”

[42165]

No. 465.

Sir N. O'Connor to Sir Edward Grey.—(Received December 26.)

(No. 173.)

(Telegraphic.) P.

Constantinople, December 26, 1907.

TURCO-PERSIAN frontier.

Following from Mr. Wratislaw, Urmia, dated the 21st instant and received to-day:—

“The Persian Commission is not far from Urumia. There is a rumour that the Turks intend to occupy the town, but so far I have no confirmation of it.

“They have established a custom-house in a village called Kaniarash, which is situated in the east of the Baradost district not far from Sineah.

“Outrages by the Kurds are still frequent.”

No. 466.

[Nil.]

[42157]

No. 467.

Mr. Marling to Sir Edward Grey.—(Received December 26.)

(No. 415.)

(Telegraphic.) P.

Tehran, December 26, 1907.

PERSIA.

My penultimate telegram (No. 413) of the 24th instant.

Bazaars have reopened. Shah has had a thorough fright, and situation locally is much improved.

Following is confidential: Russian Minister will now, I think, try to deter the Shah from any provocative action, and regrets having allowed him to believe himself assured of Russian support; it is, however, impossible to count on success for long, given the false and shifty character of His Majesty.

Mr. Wratislaw's telegram No. 34 of the 19th instant. M. de Hartwig is very

anxious as regards state of affairs near Urumia. It is impossible for the Persian Government to take any steps which might be used as a pretext for further aggression by the Turks, and the Russian Government might, if things continue in their present condition, be led into making a demonstration on the border. Dangerous excitement would be provoked here by such a course.

[42158]

No. 468.

Mr. Marling to Sir Edward Grey.—(Received December 26.)

(No. 416.)

(Telegraphic.) P.

Tehran, December 26, 1907.

I AM making strong representations to the Persian Government on the strength of a report telegraphed by His Majesty's Consul at Kerman, to the effect that a plot to attack English had been elaborated by agitators if unfavourable news should be received from Tehran, and that there will always be danger so long as there is no Governor.

[42159]

No. 469.

Mr. Marling to Sir Edward Grey.—(Received December 26.)

(No. 417.)

(Telegraphic.) P.

Tehran, December 26, 1907.

M. PRIEM.

Please refer to my telegram No. 414 of the 24th instant.

In the event of any action being taken at Brussels, Belgian Chargé d'Affaires is particularly anxious that suggestion should not appear to have emanated from him.

[42160]

No. 470.

Mr. Marling to Sir Edward Grey.—(Received December 26.)

(No. 418.)

(Telegraphic.) P.

Tehran, December 26, 1907.

I AM instructing Acting Consul-General to make further inquiries respecting the force with Firman Firma (see Sir N. O'Connor's telegram No. 171 of the 24th instant). I have some reason to believe that it is much less than reported by Mr. Stevens.

[42161]

No. 471.

Mr. Marling to Sir Edward Grey.—(Received December 26.)

(No. 419.)

(Telegraphic.) P.

Tehran, December 26, 1907.

SHIRAZ situation.

I have left the matter of allowing the Tehran relieved escort to proceed, as now proposed by His Majesty's Consul, to his discretion. He reports the situation quieter.

[42162]

No. 472.

Mr. Marling to Sir Edward Grey.—(Received December 26.)

(No. 420.)

(Telegraphic.) P.

Tehran, December 26, 1907.

AS, owing to the insecurity of the roads, the Persian post declines to accept twenty-five mule-loads of silver coin belonging to the Imperial Bank of Persia, the

Bank has asked me if the twelve extra men for the Ispahan escort, now nearing Shiraz, could bring it up.

If the Bank accept responsibility for any loss, and if the Consul at Shiraz is also favourable, may I agree?

Military Attaché thinks risk would not be great.

[42139]

No. 473.

Sir Edward Grey to Sir A. Nicolson.

(No. 359.)

(Telegraphic.) P.

Foreign Office, December 26, 1907

SITUATION in Persia.

Please refer to my telegram No. 358.

Provided Mr. Marling sees no objection, I am prepared to agree that, in the case of an application being made by the Shah to one of the Legations for "bast," that Legation should be placed under the protection of both British and Russian flags and of the guards of both the Legations, provided that "bast" is not given with any political object, but only to save the life of His Majesty. Please inform M. Isvolsky of this and inform me whether he considers this condition acceptable.

[42167]

No. 474.

Sir F. Bertie to Sir Edward Grey.—(Received December 27.)

(No. 607.)

Sir,

Paris, December 25, 1907.

I HAD occasion to see the President of the Council this morning, and, as the Minister for Foreign Affairs was unable to receive the Diplomatic Representatives to-day, I mentioned to M. Clemenceau the question of the appointment of M. Bizot as Financial Adviser to the Persian Government. I told his Excellency that you had learnt from Tehran that a delay had been caused in the completion of the appointment by the desire of the French Minister of Finance to have M. Bizot's contract of engagement, already approved by the Persian Assembly, amended. I said that you feared that the result might be to give an opportunity to the German Chargé d'Affaires at Tehran to carry through his endeavour to obtain the appointment of a Belgian who had German tendencies, and I asked his Excellency to speak to M. Pichon on the subject when he saw him this afternoon at the Senate. One of the Secretaries had at my request gone this morning to the Quai d'Orsay to communicate to the Political Director the facts of the case as reported by His Majesty's Chargé d'Affaires at Tehran, and the instructions which I had received to make a representation on the subject to the French Government.

M. Clemenceau said that he would discuss the matter with M. Pichon.

I have, &c.

(Signed) FRANCIS BERTIE.

[42141]

No. 475.

Sir Edward Grey to Sir A. Nicolson.

(No. 361.)

(Telegraphic.) P.

Foreign Office, December 27, 1907.

PLEASE see Mr. Marling's telegram No. 401 of the 21st instant respecting M. Priem.

It is also reported by him that M. Priem is being proposed by German Chargé d'Affaires to fill post of Financial Adviser.

Joint representations made at Brussels by British and Russian Governments against his appointment are the course we should favour, and this course, so we understand, is being recommended to Russian Government by their Minister at Tehran. Do they agree?

The desire of the Belgian Chargé d'Affaires at Tehran is to avoid appearance of having raised the question.

[42447]

No. 476.

India Office to Foreign Office.—(Received December 28.)

Sir,

India Office, December 27, 1907.

IN reply to your letter of the 24th instant, I am directed to say that Mr. Secretary Morley concurs both in the view of the Secretary of State for Foreign Affairs that it is desirable to facilitate the application of the Persian Government for a vessel to replace the "Persepolis" and in the proposal to ascertain whether the Admiralty have at their disposal a suitable ship which could be sold to the Persian Government.

I am, &c.

(Signed) COLIN G. CAMPBELL.

[42395]

No. 477.

India Office to Foreign Office.—(Received December 28.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 25th instant, relative to the cost of the Shiraz escort.

India Office, December 27, 1907.

Inclosure in No. 477.

Government of India to Mr. Morley.

(Telegraphic.) P.

December 25, 1907.

SEE your telegram of 13th instant; 2,500 rupees will be probable cost of retaining the relieved escort at Shiraz for six months.

[42492]

No. 478.

Sir A. Nicolson to Sir Edward Grey.—(Received December 28.)

(No. 269.)

(Telegraphic.) P.

St. Petersburg, December 28, 1907.

REFERRING to your telegrams Nos. 357 and 358 of the 25th and No. 359 of the 26th instant, respecting Persian affairs, M. Isvolsky is prepared to send similar instructions to Russian Minister at Tehran to those which you propose sending to Mr. Marling, with which he is in accord. He proposes one amendment. Your telegram No. 210 to Mr. Marling says that the Shah might be handed over to the authorities upon certain conditions. No confidence can, M. Isvolsky thinks, be placed in any guarantee which the Persian authorities might give; should the case arise, therefore, he suggests that an escort composed of both British and Russian guards should conduct the Shah to the frontier.

Before sending the instructions to M. de Hartwig, Minister for Foreign Affairs, will await the reply of His Majesty's Government.

Should the Shah take refuge within either the British or Russian Legations, M. Isvolsky understands that His Majesty's Government agree that both British and Russian guards shall protect His Majesty.

[42461]

No. 479.

Sir N. O'Connor to Sir Edward Grey.—(Received December 28.)

(No. 175.)

(Telegraphic.) P.

Constantinople, December 28, 1907.

FOLLOWING from Mr. Wratislaw, the 25th instant:—

“(No. 38.)

“I hear from a trustworthy person who has arrived at Solduz that the Karapapak Shia tribes, who were the chief support of the Persian Government in this part of the

[1549]

4 P

country, have asked to become Ottoman subjects. The Turkish Consular Agent states that many villagers in the district of Urmia have asked him to give them protection, and that he has also received similar applications from people in the town; but that as he has not received instructions on the subject he has referred the applicants to the Turkish military authorities.

"The cavass of the Russian Vice-Consulate has been killed a day's journey from Tabreez, whither he was carrying the mails, which were stolen. People arriving from the Caucasus report that Russian troops are being moved to Naktchevan and Kars.

"To-day is the first time since the breakdown that the telegraph has been working."

[42459]

No. 480.

Sir N. O'Connor to Sir Edward Grey.—(Received December 28.)

(No. 176.)

(Telegraphic.) P.

Constantinople, December 28, 1907.

FOLLOWING telegram dated the 26th instant received from Urmia:—

Tahir Pasha has, according to a telegram dated the 25th instant from the Karguzar of Salmas, arrived at Kulneh Sheher, in the Salmas district, with two other members of the Turkish Commission. The telegram stated that he proposed to proceed through Askerabad, in the plain of Urmia, to Mawana. He will enter Persia by eastward pass, but he will also pass through the villages which are most anxious for Turkish protection, having been the greatest sufferers from recent aggressions by Kurds.

Great anxiety is felt here on the score of the situation in Tehran, little being known of events in the capital.

[42412]

No. 481.

Mr. Marling to Sir Edward Grey.—(Received December 28.)

(No. 421.)

(Telegraphic.) P.

Tehran, December 28, 1907.

ON the 26th December Baron Richthofen came to see M. Sturler, the Dutch Minister, and, employing quite unwarrantable language, informed him that he had come to invite him to expel Saad-ed-Dowleh (see my telegram No. 413 of the 24th December) on behalf of the President of the Assembly. The Dutch Minister, whose action has been perfectly correct, of course refused. Baron Richthofen hinted that the Dutch Minister was by his action endangering his position here, and that he, Baron Richthofen, would cause the Dutch shops in Tehran to be boycotted by Persians. He said that he had instructions for what he was doing and that he was here to bring about a "Morocco question," and he added that I was really agitating against the Russians while pretending to work with them, and that the Anglo-Russian accord was a sham.

[42440]

No. 482.

Mr. Marling to Sir Edward Grey.—(Received December 28.)

(No. 422.)

(Telegraphic.) P.

Tehran, December 28, 1907.

TURCO-PERSIAN frontier.

With reference to my telegram No. 418 of the 26th December, the Acting Consul-General at Tabreez has by no means conclusive information as to the force with Firman Firma.

The Persian Government has been urged by me that, in order to give no pretext for Turkish advance, the Prince Governor should be warned to use great caution.

[40897]

No. 483.

Foreign Office to India Office.

(Confidential.)

Sir,

Foreign Office, December 28, 1907.

I AM directed by Secretary Sir E. Grey to state, for the information of Mr. Secretary Morley, that he has had under careful consideration the situation which has arisen in regard to the export of red oxide from the Island of Abu Musa.

As you are aware, the circumstances which have resulted in the present juncture were briefly as follows:—

In the summer of 1898 the Sheikh of Shargah went on a pilgrimage to Mecca, and during his absence his uncle, who was acting as Regent, granted a lease of the mines in question to three persons, viz., Hassan Samaiyeh (a British-Indian subject), his son Abdulla, and Esa-bin-Abdul Latif (the son of the British Re-idency Agent at Shargah), for such a period as they might wish to hold the mines, provided they paid 250 dollars per annum.

On the Sheikh of Shargah's return from Mecca he evidently claimed to become a partner in the concern, and was admitted as such by the others; but a few months later he transferred his interest in it to one Yusuf-bin-Abdullah, who again was eventually bought out by Hassan Samaiyeh in December 1900.

In the beginning of 1905 it was found necessary, on considerations of general policy, for the Resident in the Persian Gulf to warn the Chief of Shargah and his uncle, Sheikh Salem, against entering into any ill-considered Agreement with the German firm of Wonekhaus and Company for leasing the red oxide mines. The two Sheikhs gave assurances that they would do nothing without the knowledge of the British Resident.

On the 1st June, 1906, however, an Agreement was executed at Lingah, by which Hassan Samaiyeh, claiming to act not only for himself, but also for his two partners, gave to Mr. Robert Wonekhaus a specific monopoly of the output for four years, with a preferential option to renew at the end of that period. The terms of this Agreement were such as to afford a considerable margin of profit on the original Concession.

On learning some months later of this transaction, Esa-bin-Abdul Latif, the junior partner of the three original concessionnaires, lodged a protest with the Sheikh of Shargah petitioning that the contract with Mr. Wonekhaus might be annulled.

Accordingly, in a letter dated the 21st February, 1907, the Sheikh of Shargah informed Hassan Samaiyeh of this complaint. He added that he had no right to grant a monopoly to third parties without making any reference to the territorial Ruler, and that the continuance of the Concession in Hassan's hands was undesirable, and that the original contract had therefore been terminated.

On the 28th August the Government of India telegraphed that Hassan Samaiyeh had reinforced his miners and refused to stop working, and that the Sheikh of Shargah considered force would be necessary to oust him from the island.

On the 10th October a formal notice from the Sheikh of Shargah was handed to Hassan Samaiyeh calling upon him to cease forthwith from his mining operations, and to remove himself and his workmen, machinery, and all instruments from the Island of Abu Musa within ten days. This notice was accompanied by a verbal communication from the British Resident's representative, to the effect that if he failed to comply with the Sheikh's demands the Sheikh would have the approval of His Majesty's Government in ejecting him, and would be supported in such forcible action as might be required.

On the 20th October His Majesty's ship "Lapwing" sailed for Abu Musa, towing four buggalows containing a force of the Sheikh of Shargah's armed retainers. The officer in command of this force was warned against the use of unnecessary force, and His Majesty's ship "Lapwing" lay by to guard against such a contingency.

The miners consented at once to leave, which they did, together with their effects, on the 22nd October.

On the same day Mr. Brown, the agent of Mr. Wonekhaus, sailed for Abu Musa accompanied by twenty-six men; but on the 25th October the party returned to Lingah, having been refused permission to land by the Sheikh's guard, who appear to have behaved with resolution. It may be observed incidentally that His Majesty's ship "Lapwing" had sailed before the arrival of Mr. Brown.

It appears to Sir E. Grey that the best course to take is for His Majesty's Government to treat the case as far as possible as a commercial dispute between the parties, and to keep the political aspects out of the discussion. From the legal point of view the case is undoubtedly strongest so long as it is regarded and dealt with as a commercial dispute.

The present position would appear to be as follows:—

Hassan Samaiyeh has made a contract with Mr. Wonckhaus, which he has either already broken or is no longer in a position to carry out; he is consequently liable to them in damages. Hassan is a British subject, and an action can therefore be brought against him in a British Court. If the facts were gone into in a Court of Law it might not improbably transpire that Mr. Wonckhaus was aware that Hassan had partners, and had no authority to make the contract without them.

If the German authorities were to retort, when invited to bring an action, that it would be absurd to sue Hassan as he is a man of no substance, and also because their real ground of complaint is that the Sultan's cancellation of the original lease has rendered it impossible for Hassan to fulfil his contract, though he himself is ready and willing to do so, it appears to Sir E. Grey that the Sheikh of Shargah was fully entitled to cancel the lease whenever he wished to do so, since the lease was no more than a permit to work these mines, determinable by notice on either side, the owner receiving 250 dollars a-year so long as it was in force. The phrase that "I . . . let on lease all the . . . mines . . . for such a period as they may wish to hold them . . ." does not, Sir E. Grey is advised, indicate that the owner is bound for ever, and can under no circumstances escape from his contract, however valuable the mines may become, it merely reserves to the partners the right to give up the mines and escape from the liability to pay 250 dollars a-year when they please. That the owner retained the right to cancel contracts of this kind is shown by the penultimate paragraph of the Agreement, to wit: "I have perhaps made out certain Agreements previous to this. They do not hold good, and this Agreement is to be acted on."

If the owner possessed the right to cancel the Agreement when he pleased, the circumstances of the contract between Hassan and Mr. Wonckhaus justified the exercise of such a discretion. It was made without the consent of one of the partners who subsequently complained to the Sheikh, and it gave Mr. Wonckhaus a monopoly of the Abu Musa oxide, thus infringing the policy which the Trucial Chiefs have consistently followed under the advice of His Majesty's Government, whose desire is that all trade should be open and free.

If the German Government argue that the legality of the Sheikh's action would be a very suitable matter to refer to arbitration, it appears to Sir E. Grey that His Majesty's Government would be justified in declining, upon the ground that the primary cause of Mr. Wonckhaus' loss is not the action of the Sheikh, but the failure of Hassan Samaiyeh to carry out his contract, and that until Mr. Wonckhaus has tried and failed to recover damages from him there can be no need for the German Government to approach the Sheikh of Shargah through His Majesty's Government as to arbitration.

Turning now to the decision which may be laid down in a Court of Law, it appears to Sir E. Grey that if Hassan's contract with Mr. Wonckhaus is rendered void on the ground that his partner was not a party to it, the position will be comparatively simple. Mr. Wonckhaus will have a claim for damages against the defendant: if it appears that he obtained the contract by any collusion against the partner, this claim will be a weak one; if, on the other hand, it appears that the junior partner only objected because he was instigated to do so, the claim would be a strong one, and it would be incumbent upon His Majesty's Government to consider whether some compensation should not be paid as an act of grace from Government funds to settle the matter.

If it should prove, however, that Hassan's contract is not rendered void on this or any other ground, the position will be that he has failed to fulfil it because his Concession was cancelled.

It would then be necessary for His Majesty's Government to uphold the Sheikh's right to cancel the Concession on the grounds already indicated. But, in view of the looseness of the wording of the original Concession, Messrs. Wonckhaus and Hassan Samaiyeh may fairly urge that a peremptory termination without notice was a hardship; and in this case it would be a consideration whether some compensation should be paid to Mr. Wonckhaus, or whether some condition should be attached to any new Concession which may be granted to third parties, under which Mr. Wonckhaus should be allowed to purchase up to a given quantity of red oxide, at the price fixed with Hassan Samaiyeh, for a limited period.

I am to revert to the future granting of Concessions on the island in a subsequent paragraph.

Sir E. Grey does not think that the Treaty of 1892 should be relied on or brought into the case at all. It might perhaps be argued that the lease to Hassan Samaiyeh and his partners amounted to a "giving for occupation" of part of the Sheikh's territory within Article III of the Treaty; be this as it may, it is clear that the contract between Hassan and Mr. Wonckhaus was not. If, therefore, His Majesty's Government were to depend upon the terms of the Treaty, they would be driven to argue that the owner's action in leasing these mines to three men all entitled to British protection was a violation of the Treaty, though it had taken place nine years before, and they had had cognizance of the Concession for its whole duration. It would further be necessary to argue that the Treaty prevented the Sheikh from leasing territory even to his own subjects, as the British contention would have to be that any "selling," &c., except to His Majesty's Government, was prohibited.

The only other incident which the German Government are likely to raise is the refusal of the Sheikh's men to allow Mr. Wonckhaus' agent to land to look after the oxide on the island ready for shipment. To this it may be replied that the property in question is quite safe, and that there was no need for Mr. Wonckhaus to send guards to look after it, and that they are at liberty to take it away when they please.

Turning now to the future disposal of any Concession for working the mines in the Island of Abu Musa, Sir E. Grey is of opinion that, if the question of monopolies and the open door is raised, His Majesty's Government might inform the German Government that there is no objection to Mr. Wonckhaus trading in red oxide, but only to his having a monopoly; and some arrangement for supplying this merchant with a certain amount of oxide might be come to on the basis already suggested.

Sir E. Grey considers that if a *bond fide* British firm, which he assumes Messrs. Strick to be, were to secure the new Concession, such an arrangement would be safe as well as equitable; while, in view of the fact that His Majesty's Government are debarred from assisting British trade by means of subsidies and other similar devices to compete against German State-aided enterprise, it appears eminently desirable to take advantage of the special position acquired by His Majesty's Government in their relations with the Trucial Chiefs, and not to let any opportunity slip of securing British trade interests against the formidable efforts which, in the early future, may not improbably be made to reduce our existing commercial supremacy in the Persian Gulf.

Although Sir E. Grey considers that it would not be advisable to go so far as to grant a definite new Concession to Messrs. Strick for the present, he thinks that they should be informed that, as prior applicants, they shall have the first offer of a new Concession so far as His Majesty's Government can effect this; and that His Majesty's Government would be glad to learn that they would be prepared to entertain such an offer; but that for the moment certain matters are under investigation, and until they have been considered no new Concession can be granted.

Sir E. Grey would be glad to learn the views of Mr. Morley upon the considerations set forth in this letter, and he considers that the terms of the new Concession might advantageously receive immediate attention.

I am, &c.
(Signed) LOUIS MALLET.

[42635]

No. 484.

Sir N. O'Connor to Sir Edward Grey.—(Received December 29.)

(No. 177.)

(Telegraphic.) P.

Constantinople, December 29, 1907.

FOLLOWING from Mr. Wratislaw, Urmia, dated the 28th instant:—

"In continuation of my telegram No. 38. The Karapapak tribe submitted to the Turks unwillingly and under circumstances that amounted to compulsion. Mehmet Fazill Pasha, the Turkish officer in command at Pasveh, encouraged the Kurds to attack them, so as to render their situation unbearable. As soon as they submitted, the outrages on them were at once stopped. While the Petition of the inhabitants of Soujboulak for Ottoman nationality was only accepted *ad referendum* to Constantinople, the Petition of the Karapapak tribe was granted at once.

[1549]

"The Persian Commissioner seems to take a gloomy view of the situation and to be lacking in energy.

"Owing to the corn supply from the south being cut off, prices have risen considerably, and distress will result."

[42494]

No. 485.

Mr. Marling to Sir Edward Grey.—(Received December 29.)

(No. 424.)

(Telegraphic.) P.

TEHRAN situation.

The Shah is cowed and fears assassination.

The town is quiet.

It is absolutely untrue that we have made any attempt to obtain privileges, as alleged by the German Chargé d'Affaires (see Sir A. Nicolson's telegram No. 268 of the 27th instant). Our action was taken solely in the interests of pacification, and we have made no conditions whatever.

Tehran, December 29, 1907.

[42484]

No. 486.

Sir N. O'Connor to Sir Edward Grey.—(Received December 30.)

(No. 791.)

Sir,

Constantinople, December 24, 1907.

WITH reference to my telegram No. 169 of the 20th instant reporting that orders had been sent to Van to make preparations for the mobilization of troops at short notice, I now have the honour to inform you that news has reached me according to which the Ottoman authorities are making efforts to collect reserves and recruits at Mosul, but without much success. I am further informed that transport animals, including the cattle necessary for agricultural purposes, are being seized in that district, and that material has been dispatched to Mosul in order, it is alleged, to extend the telegraph lines to Sujbulak.

If these several reports be confirmed, they would show not only that there exists considerable apprehension as to the course of events in Persia, but that the Ottoman Government is preparing for a forward movement in certain eventualities.

I have, &c.

(Signed) N. R. O'CONOR.

[42485]

No. 487.

Sir N. O'Connor to Sir Edward Grey.—(Received December 30.)

(No. 792.)

Sir,

Pera, December 24, 1907.

WITH reference to my telegram No. 169 of the 20th instant, repeating a telegram from Van in which Captain Dickson reported that Tahir Pasha was expected there on the 19th instant, I have now received telegraphic information from His Majesty's Vice-Consul that Tahir Pasha has been instructed to return to Bashkala, but that instead of taking the direct route he is making a long detour through Salmas and Somai. Captain Dickson seems inclined to think that the object of this journey is to intrigue with the local Kurds prior to occupying those districts.

I have, &c.

(Signed) N. R. O'CONOR.

[42559]

No. 488.

Sir A. Nicolson to Sir Edward Grey.—(Received December 30.)

(No. 630.)

Sir,

St. Petersburg, December 26, 1907.

I HAVE the honour to transmit herewith translation of an article from the "Novoe Vremya" with regard to the Persian crisis.*

The majority of the St. Petersburg press express their satisfaction that in the present crisis in Persia the Anglo-Russian Agreement has enabled both Powers to work cordially together, and that thereby grave complications have been avoided.

I have, &c.

(Signed) A. NICOLSON.

[42627]

No. 489.

India Office to Foreign Office.—(Received December 30.)

Sir,

India Office, December 28, 1907.

IN reply to your letter of the 24th instant, I am directed to say that Mr. Secretary Morley concurs in the proposal of the Secretary of State for Foreign Affairs to approve the action of His Majesty's Chargé d'Affaires at Tehran—as reported in his telegram of the 19th instant, No. 396—in detaining the relieved Legation escort at Shiraz.

I am, &c.

(Signed) COLIN G. CAMPBELL.

[42626]

No. 490.

India Office to Foreign Office.—(Received December 30.)

Sir,

India Office, December 28, 1907.

IN reply to your letter of the 27th instant, I am directed to say that, subject to the view that Sir E. Grey may take of the matter, and provided that the conditions laid down by Mr. Marling are fulfilled, Mr. Secretary Morley is of opinion that it would be undesirable to disallow the proposal that the Consular guards now nearing Shiraz on their way to Ispahan should act as escort to a consignment of silver coin, the property of the Imperial Bank of Persia.

I am, &c.

(Signed) COLIN G. CAMPBELL.

[42636]

No. 491.

Sir N. O'Connor to Sir Edward Grey.—(Received December 30.)

(No. 180.)

(Telegraphic.) P.

Constantinople, December 30, 1907.

FOLLOWING from Mr. Wratislaw, No. 36, dated Urmia, the 23rd instant:—

"As telegraphic communications have been interrupted for the last six days, I am sending this telegram to Tabriz for transmission.

"The Turks are believed here to intend to occupy Urmia and to be making military preparations with this object. The report, however, seems to be based on the statements of irresponsible persons.

"The Persian Commissioner arrived here yesterday. The Russian Vice-Consul and I persuaded him to write to Tahir Pasha, though he seemed at first inclined to procrastinate."

[42637]

No. 492.

Sir N. O'Connor to Sir Edward Grey.—(Received December 30.)

(No. 181.)

(Telegraphic.) P.

Constantinople, December 30, 1907.

FOLLOWING confidential telegram received from Mr. Wratislaw, dated the 23rd instant and received the 30th instant, No. 37 :—

"The Turkish Colonel Commanding on the frontier is responsible for the statement that as soon as reinforcements from Van arrive the Turkish troops intend to occupy Urmia. He has been invited to do so both by the villagers and the townspeople. The Russian Vice-Consul sent him a message the day before yesterday asking him that a few days' notice might be given before the occupation was effected, in order that there might be time to make provision for Russian subjects. I received this information from the Vice-Consul's messenger; he had not said anything to me on the subject."

[42621]

No. 493.

Mr. Marling to Sir Edward Grey.—(Received December 30.)

(No. 425.)

(Telegraphic.) P.

Tehran, December 30, 1907.

TURCO-PERSIAN frontier.

I am informed by the Russian Minister that the two Governments are contemplating coercive measures to restrain the Turks. I should be glad to know if this is so.

The Prince Governor of Tabreez appears to be collecting a considerable force. The Minister for Foreign Affairs informs me that they are to be solely employed for keeping the tribes in Azerbaijan quiet.

A report has been received by Captain Haworth, His Majesty's Consul at Kermanshah, that Turkish troops have been attacked and defeated near Merivan by the Governor of Persian Kurdistan, and that one gun was captured from them. No confirmation of this has, however, been received by either the Russian Legation or the Persian Government.

[42148]

No. 494.

Sir Edward Grey to Sir A. Nicolson.

(No. 361.)

(Telegraphic.) P.

Foreign Office, December 30, 1907.

PLEASE refer to telegram No. 69 of the 25th instant from Sir F. Bertie respecting Financial Adviser in Persia.

Representations at Paris have not, in my opinion, been followed by any very satisfactory result.

As regards whatever further action may be advisable, you should consult M. Isvolsky.

[42492]

No. 495.

Sir Edward Grey to Mr. Marling.

(No. 216.)

(Telegraphic.) P.

Foreign Office, December 30, 1907.

SITUATION in Tehran.

Please see my telegram No. 210 of the 25th instant.

It is desirable, in the opinion of the Russian Government, that the Legation at which the Shah might take "bast" may receive an international character; protection afforded by British and Russian guards would effect this.

I have assented to this proposal, on condition that "bast" is not given with any political object, but only to save the life of the Shah.

A further proposal made by M. Isvolsky is that a combined Russian and British escort should accompany Shah to frontier, if the necessity arose.

Please give me your opinion on this last suggestion.

Is the situation of the Legation, in your opinion, secure, or are there any further steps we could take to insure its safety, in the event of further trouble arising?

[42626]

No. 496.

Sir Edward Grey to Mr. Marling.

(No. 218.)

(Telegraphic.) P.

Foreign Office, December 30, 1907.

I HAVE received your telegram No. 420, and provided the conditions mentioned are complied with, I concur in proposal respecting transport of silver.

[42412]

No. 497.

Sir Edward Grey to Mr. Marling.

(No. 219.)

(Telegraphic.) P.

Foreign Office, December 30, 1907.

ACTION of the German Chargé d'Affaires at Tehran.

It is time that we made representations on this subject at Berlin.

Has Dutch Minister any objection to my quoting him, as to mention the facts—see your telegram No. 421—and refuse to mention one's source of information would have no effect.

[41770]

No. 498.

Sir Edward Grey to Sir A. Nicolson.

(No. 436.)

Sir,

Foreign Office, December 30, 1907.

WITH reference to your Excellency's telegram No. 266 of the 22nd instant, I may remind your Excellency that during the negotiations for the Anglo-Russian Agreement His Majesty's Government asked the Russian Government, in view of the inclusion of Ispahan in their sphere, to give an assurance of protection to the Zil-es-Sultan in the event of danger to his life or property, or to those of his family.

The Russian Government consented to do this on certain conditions, but His Majesty's Government have never withdrawn their former assurances of British protection from his Highness, who is now, therefore, under both British and Russian protection.

I am, &c.
(Signed) E. GREY.

[42713]

No. 499.

India Office to Foreign Office.—(Received December 31.)

Sir,

India Office, December 28, 1907.

IN reply to your letter dated the 2nd instant, inclosing a copy of a despatch from His Majesty's Chargé d'Affaires at Tehran, as to the recovery from the Persian Government of various expenses incurred by the Indo-European Telegraph Department in the construction and maintenance of the Central Persia telegraph line, I am

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directed by Mr. Secretary Morley to forward a copy of a Memorandum by the Director-in-chief of the Department, dated the 14th instant.

Mr. Morley concurs in the views of Mr. Kirk, who points out that no action need be taken in this matter pending the completion and examination of the charges for the line.

I am, &c.
(Signed) COLIN G. CAMPBELL

Inclosure in No. 499.

Memorandum by the Director-in-chief of the Indo-European Telegraph Department.

IN the correspondence forwarded by the Foreign Office, it appears to be taken for granted that when the bill of cost of the Central Persia line is presented to the Persian Government, there will be exception taken by that Government to some of the charges in it. It is probable that this will happen, as the Convention under which the line has been constructed is not altogether clear as to what charges are to go against the capital account of the line, or how charges for the provision of telegraph buildings are to be adjusted.

The first step that appears to be necessary is that the bill should be prepared according to our interpretation of the Convention. The complete account of the charges for the line is now being compiled by the Examiner of Telegraph Accounts in Calcutta, and I hope to receive it on an early date. When the details of the account are received, it will be possible to allocate the charges, showing those that are debitable to capital account, and those which should be treated as advances to the Persian Government. As soon as the bill has been prepared, it could be forwarded to the Foreign Office for approval, and afterwards be transmitted to the British Minister at Tehran for presentation to the Persian Government. Further action on our side would then depend on the course adopted by the Persian Government as to the acceptance of the bill presented. If objections are raised, they will probably be for the purpose of effecting as much increase as possible in the capital cost of the line, in order to reduce the bill for advances. The reason for this is that the greater the capital cost of the line can be made, the higher will be the rental the Indo-European Telegraph Department will have to pay for it. If objections are raised by the Persian Government to the bill, it will be advisable to treat them as far as possible in a friendly spirit, more especially if doing so can be made to assist in bringing about the renewal of the telegraph Concessions.

At the same time it is possible the Persian Government may raise no objections, or none of an important character, to the bill that is presented to them, as it will be prepared with no desire to evade our obligations under the Convention. In the Convention it is laid down that our account of expenses incurred on the Central Persia line is to be submitted as early as possible to the Persian Government. We are therefore bound to carry this arrangement out. As to any objections the Persian Government may raise to accepting this account, their settlement may probably be most satisfactorily arranged in conjunction with the question of the renewal of the telegraph Concessions, in the manner proposed by His Majesty's Chargé d'Affaires at Tehran. On this point, however, we should be in a better position to judge when we know what the objections are that may be made. The application to the Persian Government for the renewal of our telegraph Concessions is to be made when it is considered that a favourable time has arrived for opening this question. There may be considerable delay before this favourable moment presents itself, and if in the meantime we can settle our account for the Central Persian line it would appear to be advisable to do so.

(Signed) H. A. KIRK.

December 14, 1907

[4306]

No. 500.

Memorandum respecting Current Events in Persia for the Years 1906 and 1907.

The following subjects have been dealt with:—

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For further information respecting Persian affairs, see “Tehran General Reports for 1906 and 1907.”

Karun Irrigation Scheme.

MAJOR MORTON, the British Engineer deputed to investigate India Office,
M. van Roggen's scheme of irrigation, pronounced a wholesale condemnation October 30, 1905 ;
of it in his Report, and set about preparing a feasible project for the utiliza- September 26,
tion of the river for the irrigation of a considerable area. 1906.

The Government of India subsequently expressed their conviction that India Office,
any Concession granted by the Persian Government for carrying out this September 26,
scheme should, if possible, be obtained for British enterprise, and expressed 1906.
at the same time their willingness to make a loan to the Persian Govern-
ment for this object.

His Majesty's Government were, however, of opinion that, in the position To India Office,
in which the Anglo-Russian negotiations regarding Persia then stood, it October 4, 1906.
would be impracticable to make any advance to the Persian Government
otherwise than in agreement with that of Russia.

The Netherlands Government still remained anxious to push M. van Mr. Grant Duff.
Roggen's scheme, and their Minister at Tehran twice approached His No. 220,
Majesty's Legation with inquiries as to the views of His Majesty's Govern- September 8, 1906.
ment on the subject. On the second of these occasions his Excellency was Sir C. Spring-Rice,
informed that this question should be addressed to His Majesty's Government No. 288,
through the Netherlands Minister in London, and Sir C. Spring-Rice was Telegraphic,
instructed to inform the Persian Government that His Majesty's Government October 18, 1906.
expected to be consulted before any definite step was taken in the direction To Sir C. Spring-
of granting a Concession in connection with this project. Rice, No. 185,
Telegraphic,
October 19, 1906.

In November the Moin-et-Tujjar, who holds a Concession for the To Sir C. Spring-
navigation of the Upper Karun, informed Sir C. Spring-Rice, on behalf of Rice, No. 325,
the Sheikh of Mohammerah, whose Agent at Tehran he is, that the Sheikh Telegraphic,
was opposed to any foreign Concession or foreign financial aid, but was November 3, 1907.

anxious to form a purely Persian Company and engage a foreign expert as adviser. The Moin stated that the Arabs would never allow foreign interference with their land, and that the Persian Government were aware of this.

On the 21st December the Netherlands Minister in London called at the Foreign Office and made a statement to Sir E. Barrington on the subject.

His Excellency stated that the Russian Government had intimated that they had no objection to the execution of M. van Roggen's scheme, provided that the Company to which it was intrusted was a Dutch and not a British one, as, in view of the negotiations in progress between England and Russia for an understanding with regard to Persia, it was undesirable that either country should appear to have a special interest in the project. Baron Gericke pointed out that the condition made by the Russian Government would not prevent the employment of British capital in the enterprise.

On the 9th January Sir E. Grey informed the Minister that, in view of the unsettled political situation in Persia, His Majesty's Government could not entertain any question relating to a foreign Concession in that country for the moment.

The Dutch Minister again raised the question in February, and warned Sir E. Grey that, unless the Concession were secured by the Dutch, it would fall to the Dresdner Bank. He said that the Assembly would not object, and asked His Majesty's Government to remain neutral. A reply was returned similar to that given on the 9th January.

A report of the conversation having been telegraphed to Tehran, Sir C. Spring-Rice reported that there was reason to fear German action. He and the Dutch Minister thought that the best means of preventing it would be to form an international Syndicate, and suggested that he should inform the Persian Government that His Majesty's Government would have no objection to the formation of such a group.

The India Office were consulted, and concurred in the adoption of a neutral attitude and in the proposed instructions to Sir C. Spring-Rice to act as suggested by him, which were accordingly sent.

The latter shortly afterwards reported that he was assured by the agent of the Sheikh of Mohammerah that the Sheikh would undertake the work himself, and would not admit foreign intervention beyond advice.

The view taken by the India Office was that the Sheikh's position and opinion could not be ignored; that a suggestion to this effect should be made to the Persian Government, who should be informed that if a Concession were eventually granted to an international Syndicate, His Majesty's Government would wish to be informed of the details of the scheme; and that, if it proved satisfactory, and no valid objection were raised by the Sheikh, they would adopt an attitude of neutrality.

Sir C. Spring-Rice was instructed to ascertain whether the Sheikh had put forward any demand for a Concession, and, if so, to make a communication to the Persian Government in the sense suggested by the India Office.

He replied that the Sheikh had made no definite proposal, but that he did not intend to ask for foreign capital.

In view of the latter statement, it was held that the Sheikh's scheme was doomed to failure.

Subsequently Sir C. Spring-Rice reported that he proposed to remain neutral, and to keep the Sheikh informed as to the course of events.

The Sheikh explained to Major Cox that he would prefer things to remain as they were, except for such irrigation as could be effected on the river banks by means of machine pumps, with which he was experimenting; but that, if a large scheme were inevitable, he wished to manage it himself under our guidance and with our co-operation.

The Nizam-es-Sultaneh, a large proprietor near Ahwaz, expressed the opinion that the present population was not large enough to cultivate the

existing area of arable land, and that it would be impossible to find sufficient hands to cultivate the new land reclaimed.

This view was fully confirmed by His Majesty's Consul at Mohammerah, who also thought that the introduction of cultivators from outside might be resented by the Arabs.

Sir C. Spring-Rice considered that, in view of the attitude of the National Assembly and the determined opposition of the Sheikh of Mohammerah, an early development of the Dutch scheme seemed improbable, and stated that he had explained to the Dutch Minister that it could not hope to succeed without the active assistance of the Sheikh.

It appears that Herr Gutmann, when at Tehran in connection with the establishment of a German bank, was approached by the Dutch Minister on the subject, but replied that his bank could not consider so extensive a scheme.

The German Minister informed Sir C. Spring-Rice that, although no German project had been formed, he had instructed a member of the German Legation to make a full report on the subject, as it was his duty to put his Government in possession of full information as to the commercial possibilities of South-West Persia.

Sir C. Spring-Rice thought that the question was, or would shortly be, under consideration at the Dresdner Bank, but that, in the present financial position of Germany, so large and doubtful an enterprise could hardly be taken in hand seriously.

In the course of a conversation with Mr. Mallet, Mr. Lynch stated that he had been approached by M. van Roggen, who was anxious to obtain British capital, and would himself withdraw when the Company was floated. Mr. Lynch asked whether His Majesty's Government would support him.

Mr. Mallet replied that M. van Roggen was not a British Company, but a Dutchman; that our policy was to remain neutral, but that if a British Company came armed to us with a Concession, he could not say what our attitude would be. He added that it seemed unlikely that M. van Roggen would get a Concession.

A letter was received shortly afterwards from the Euphrates and Tigris Steam Navigation Company, expressing the hope that His Majesty's Government would not acquiesce in any scheme which did not safeguard beyond all doubt, and at all seasons of the year, a supply of water fully adequate to the navigation of the Karun River.

After consultation with the India Office, the Company were informed that their observations would receive due consideration.

Attack on His Majesty's Consulate in Seistan

On the 28th March, 1906, His Majesty's Chargé d'Affaires at Tehran reported that serious disturbances had broken out at Nasratabad in consequence of certain measures which had been taken for the suppression of the plague in Seistan, and that, at his request, the Persian Minister for Foreign Affairs had instructed the Governor-General of Khorassan and the local authorities to afford the necessary protection to His Majesty's Consulate.

In the course of these disturbances the dispensary attached to His Majesty's Consulate was wrecked, and the Consul, the doctor, and two native employés were pelted with clods of earth by the rioters.

After the disorders had subsided the situation in the province remained threatening, and Mr. Grant Duff was instructed to impress on the Persian Government that they would be held responsible for it, and to press for their immediate permission for the extension of the telegraph line to Kuli-Malik Siah, which had already been the subject of urgent representations, and which was shown by these occurrences to be more than ever necessary. It was, however, thought better not to present any demand for the punishment of the rioters or any claim for compensation for the outrage which had been committed until all danger of further disturbance was at an end.

Memorandum by
Sir E. Barrington,
December 21,
1906.

To Sir H. Howard,
No. 2,

January, 9, 1907.

To Sir C. Spring-

Rice, No. 4,

Telegraphic,

January 10, 1907.

To Sir H. Howard,

No. 11.

February 22,

1907.

Sir C. Spring-Rice,

No. 26,

Telegraphic;

No. 37,

Telegraphic,

February 25, 1907.

To India Office,

February 26, 1907.

Sir C. Spring-Rice,

No. 46,

Telegraphic,

March 7, 1907.

India Office,

March 16, 1907.

To Sir C. Spring-

Rice, No. 32,

Telegraphic,

March 22, 1907.

Sir C. Spring-Rice,

No. 76,

Telegraphic,

April 4, 1907.

Sir C. Spring-Rice,

No. 76,

Telegraphic,

April 4, 1907.

Sir C. Spring-Rice,

No. 74,

April 21, 1907.

Sir C. Spring-Rice,
No. 192,
September 10,
1907.

Sir C. Spring-Rice,
No. 74, April 21,
1907.

Sir C. Spring-Rice,
No. 192,
September 10,
1907.

Memorandum by
Mr. Mallet.
August 16, 1907

Euphrates and
Tigris Steam
Navigation
Company,
August 22, 1907.

To Euphrates and
Tigris Steam
Navigation
Company,
September 1,
1907.

Mr. Grant Duff,
Nos. 81 and 82,
Telegraphic,
March 23, 1906.

Mr. Grant Duff,
No. 118,
April 25, 1906.

To Mr. Grant
Duff, No. 54,
Telegraphic,
April 7, 1906.

See Confidential
Paper 8539, p. 21.

To Mr. Grant
Duff, No. 62,
Telegraphic,
April 19, 1906.

Mr. Grant Duff,
No. 124, April 26,
1907.

Ditto, No. 129,
Telegraphic,
May 5, 1906.

Ditto, No. 138,
Telegraphic,
May 14, 1906.

To Mr. Grant
Duff, No. 79,
Telegraphic,
May 19, 1906.

India Office,
August 17, 1906.

Mr. Grant Duff was subsequently instructed to urge on the Persian Government the adoption of the necessary punitive measures, and to point out that if they failed to carry them out they would afford proof of their inability adequately to protect His Majesty's Consulate, and would compel His Majesty's Government to take steps accordingly.

Mr. Grant Duff addressed a series of notes on this subject to the Persian Government, who, in their replies, deprecated the immediate punishment of the ringleaders in the disorders in view of the disturbed condition of Seistan and the sad situation of its population, and affirmed that all necessary measures for the restoration and maintenance of order had been taken. They refused at the same time to grant the extension of the telegraph line demanded.

On the 5th May Mr. Grant Duff reported that there were no signs of any steps being taken to arrest the ringleaders, but in the middle of the same month the Momtahan-es-Sultaneh, a special official, left Tehran for Nasratabad with instructions to deal with the case, and His Majesty's Government considered that it would be advisable to await his arrival and that of further reinforcements to the troops in Seistan, since an attempt on the part of the Persian Government previous to this might lead to further disturbances which they might not be able to suppress, and the dispatch of British troops, except for purposes of protection, was undesirable.

It was not till August that the Momtahan-es-Sultaneh verbally agreed with His Majesty's Consul to recommend to the Persian Government the following steps in satisfaction for the outrage:—

1. An apology to be offered by the Deputy Governor, the Mustaufi, and the ringleaders in the riots.
2. Four of the principal agitators to be deported from Seistan.
3. 100% to be paid in compensation for the damage done to the dispensary.
4. A free grant of land of 10,000 zars to be made for the extension of the British Consular hospital at Nasratabad.

Mr. Grant Duff,
No. 228,
September 11,
1906.

Sir C. Spring-
Rice, No. 359,
Telegraphic,
December 11,
1906.

On the 18th August the Persian Government were officially informed that His Majesty's Government were prepared to accept these proposals.

After a long delay the Persian Government replied expressing willingness to accede to the demands, but professing inability to expel the ringleaders, and raising objections to the grant of land for the dispensary, on the ground that such a step would give rise to similar pretensions on the part of other Powers. They offered, however, to sell the necessary land to His Majesty's Consulate.

His Majesty's Government, after consideration, decided to abandon the two demands (2 and 4) which were obnoxious to the Persian Government on condition that the remaining two (1 and 3) were immediately complied with, and that the land required was sold to His Majesty's Consulate at a nominal price.

Sir C. Spring-Rice was accordingly instructed to communicate this decision to the Persian Government, who subsequently settled the matter on these lines.

To Sir C. Spring-
Rice, No. 3,
Telegraphic,
January 9, 1907.

Sir C. Spring-
Rice, No. 71,
Telegraphic,
April 1, 1907.

Seistan Water Award.

In reply to the note addressed to them by His Majesty's Chargé d'Affaires at Tehran on the 2nd December, 1905, the Persian Government stated, in a very involved and obscure note, on the 22nd February, 1906, their objections to Colonel McMahon's Award, which appeared to be as follows:—

1. The Goldsmid Award has not been followed, but only the interpretation placed upon it by the Foreign Office. The right of opening up old canals and digging new ones is denied to the Persians and allowed to the

Mr. Grant Duff,
No. 60,
Telegraphic,
March 3, 1906.

Ditto, No. 89,
March 29, 1906.

Afghans, since the canals lie in Afghan territory. A large tract of land in Persia will thus be left uncultivated.

2. The share of water given to the Persians is less than half as much as they require for the irrigation of their land, which is double that of the Afghans, so that they ought to have two-thirds of the water instead of one-third.

3. As the area of cultivation in Afghan territory will be increased, Persian peasants will emigrate thither.

4. The restriction applied to Persia alone regarding the alienation of water to a third party should be extended to Afghanistan also, and such a restriction is not mentioned at all in the Goldsmid Award.

5. If the new Award had followed the old one it would have been unnecessary to appoint a permanent irrigation officer.

The Persian Government were informed on the 8th March that if they really desired to maintain their refusal to accept the Award they should submit a reasoned appeal in due form for the decision of His Majesty's Principal Secretary of State for Foreign Affairs, in accordance with the Agreement of November 1902.

On the 7th April the Persian Minister for Foreign Affairs informed Mr. Grant Duff that the Persian Government had only made the Agreement in question on condition that the Award of the Commission or the decision of the Secretary of State was in Agreement with the Goldsmid Award.

Mr. Grant Duff,
No. 102,
Telegraphic,
April 13, 1906.
Ditto, No. 104,
May 13, 1906.

India Office,
June 14, 1906.

The objections of the Persian Government to his Award having meanwhile been submitted to Colonel McMahon, the latter furnished an exhaustive Memorandum explaining the principles on which his Award had been based. He held that the only objection that really merited consideration was the absence of any provision for the future irrigation of the Ramrod-Hauzdar tract, the Award only providing for the irrigation of the present inhabited portion of Persian Seistan. The point had already been considered by the Government of India and decided before the Award was given, their decision being based on the argument that the Goldsmid Award refers only to existing cultivation, and that the present Award should be similarly restricted. He regretted this decision, considering that the Award should contain provision for future contingencies. He did not advise any alteration of the Award, but suggested either (1) that it might be intimated to the Persian and Afghan Governments that the irrigation of the Persian Ramrod-Hauzdar tract was a question which could not be dealt with in the present arbitration and remained therefore a matter for future settlement, or (2) that the Secretary of State might add a corollary to the Award to the effect that, should the irrigation of that tract become possible through mutual understanding between the Persian and Afghan Governments, the future consideration of the grant to Persia of a further share of the Helmund for the purpose, amounting to one-sixth of its water, would not be debarred by anything in the Award—the whole Persian share of the river not to exceed one-half.

It was decided that as the question was not pressing it would be best for Sir C. Spring-Rice to discuss it with Colonel McMahon, who was in London, and that it should not be raised until the former reached Tehran.

Sir C. Spring-Rice has, however, so far not thought it politic to mention the subject to the Persian Government.

Attack on Colonel Douglas and Captain Lorimer in Luristan.

In January 1906 Mr. Grant Duff reported the refusal of the Persian Government to pay compensation for this outrage, on the ground that the responsibility for the attack on these officers rested with themselves, in view of the fact that, previous to their departure, they had been warned by the local authorities of the insecurity of the roads and the disturbed state of the tribes.

His Majesty's Government, in March, informed the Persian Government that, in view of the unsatisfactory nature of the measures taken to punish the

Mr. Grant Duff,
No. 2, Confidential,
January 3, 1906.
Mr. Grant Duff,
No. 8, Telegraphic,
January 10, 1906.

To Mr. Grant Duff,
No. 38,
Telegraphic,
March 3, 1906.

culprits, they were unable to modify their demands, and urged them to take advantage of the season to chastise the Lurs.

In reply, the Persian Government denied that the measures which they had taken were inefficient; repeated the arguments which they had previously advanced; and again refused the compensation demanded.

In forwarding the correspondence on this subject, Mr. Grant Duff stated that he had little reason to hope that any further representations would be successful.

In June 1907 a telegram was sent to His Majesty's Minister, inquiring whether there was any prospect of recovering the sum claimed (2,000*l.*). He replied that the Persian Government had no money; that they maintained that due warning was given as to the risk run; and that the recent rebellion in Luristan proved the impossibility of guaranteeing the safety of travellers.

In view of this telegram, the India Office were consulted as to the desirability of recovering the amount out of the Jask royalty.

They strongly objected to this course, and referred to a statement made by them in 1906 that the claim was not a strong one.

The recent correspondence was communicated to the Treasury, who were informed that in the circumstances it was not proposed to take any further action in the matter.

The Treasury having acquiesced, the India Office were informed of the decision to let the matter drop.

Meshed-Seistan and Tehran-Meshed Telegraph Line.

Proposed Exchange of British and Russian Control.

During the negotiations which took place in 1902 between the Russian and Persian Governments on the subject of a loan, one of the conditions proposed by the former was the construction of a Russian telegraph line from Meshed along the Afghan frontier to Seistan; but M. Witte subsequently modified this by agreeing that the line should be constructed and worked by the Persian Government out of the proceeds of the loan. A verbal promise was at the same time given by the Shah that the services of Russian signallers should be used on the line, and that its Seistan end should not be connected with the Central Persian or Indian telegraphic system.

The Persian Government at first allowed the employment of these signallers, but afterwards insisted on their recall. In May 1905 the Russian Government renewed their pressure on this subject, and the Shah, then about to leave for Europe, consented to the temporary re-employment of the signallers pending a discussion of the question with the Emperor of Russia. By June of that year the working and control of the line were already in the hands of the Russians, and fifteen Russian engineers and telegraphists were serving on it.

In January 1906 His Majesty's Chargé d'Affaires at Tehran was informed by the Persian Grand Vizier that negotiations for the withdrawal of these officials were in progress, but, nevertheless, His Majesty's Consul-General at Meshed reported in June that they had moved the battery of the line and the end of the wire at that place into the Russian office, so that they could, at will, cut off both the British and Persian offices, and monopolize the line.

On the 19th July Mr. Grant Duff reported that the Persian Minister for Foreign Affairs had informed him confidentially that the new Russian Minister was pressing the Persian Government very hard formally to surrender the control of the line to the Russians, and on the 29th August Mr. Grant Duff informed His Majesty's Government that he had been warned that this cession was about to take place.

The next day the Grand Vizier admitted to Mr. Grant Duff that orders had been given for the transfer of the instruments at Meshed to the Russian

Mr. Grant Duff,
No. 75,
March 26, 1906.

To Sir C. Spring-
Rice, No. 72,
Telegraphic,
June 11, 1907.
Sir C. Spring-Rice,
No. 116,
Telegraphic,
June 12, 1907.

To India Office,
June 18, 1907.

India Office,
July 4, 1907.

To Treasury,
July 23, 1907.

Treasury,
July 30, 1907.

To India Office,
August 6, 1907.

Sir C. Spring-Rice,
No. 292,
December 6, 1906.

Mr. Grant Duff,
No. 33,
Telegraphic,
January 31, 1906.

Mr. Grant Duff,
No. 161,
June 20, 1906.

Mr. Grant Duff,
No. 195,
Confidential,
July 19, 1906.

Mr. Grant Duff,
No. 225,
Telegraphic,
August 29, 1906.

Mr. Grant Duff,
No. 227,
Telegraphic,
September 1, 1906.

office. These orders had been given by the Shah, in compliance with a written demand from the Russian Minister, but no further concessions would be made.

Nevertheless, early in September His Majesty's Consul in Seistan reported that there also the Russians were arranging for a separate room in the telegraph office to which instruments would shortly be moved, and through which the line could be led.

Meanwhile, His Majesty's Ambassador at St. Petersburg was instructed to point out to the Russian Minister for Foreign Affairs that, if the news of the transfer of the line to Russian control were confirmed, it would constitute an important modification of the *status quo* in Persia, which His Majesty's Government had been so careful to maintain. His Excellency was to add that if the Russian Government had really authorized this step, His Majesty's Government would have to consider what counter-concession they might be compelled to demand.

Before Sir A. Nicolson had time to carry out these instructions, M. Isvolsky spoke to him spontaneously on the subject, stating that he had only just heard of the matter from the Russian Ambassador in London, and had learnt, on inquiry at his Ministry, that M. Hartwig had made, on his own initiative, some arrangement with the Persian authorities respecting "an interchange of telegraphic apparatus," which, as it was only a minor technical question, had not been submitted to his Excellency. Sir A. Nicolson then stated to his Excellency the case as it had been reported to His Majesty's Government. M. Isvolsky replied that he had never heard of any such project, and that he would never authorize any disturbance of the *status quo*. He promised to investigate the matter.

On the 11th September M. Isvolsky read to Sir A. Nicolson a Memorandum prepared in his Department on the subject, stating that all that had taken place was the connection of the wire with the Russian instruments in order to insure rapidity and correctness in the transmission of messages.

Sir A. Nicolson replied that this was not all that had been done, and once more explained the situation in the light of the information in the possession of His Majesty's Government, and asked that matters might be restored to the position they had occupied in June.

M. Isvolsky expressed himself as puzzled, and promised to study the question further.

The next day Sir A. Nicolson sent to M. Isvolsky a Memorandum showing what had taken place, and on the 19th September the latter handed to him a reply traversing most of the statements in the first Memorandum and justifying the action of the Russians.

Sir A. Nicolson then informed him that he was prepared to propose a compromise in the shape of an exchange of the cession to Russia of the control of the Tehran-Meshed line for that of the Seistan-Meshed line. His Excellency had been authorized to make this proposal earlier in September, but had suggested that it would be better to defer doing so, a suggestion which was approved by His Majesty's Government.

M. Isvolsky promised to study this proposal.

His Majesty's Government were determined to make the satisfactory settlement of this question a condition of co-operation with the Russian

Mr. Grant Duff,
No. 240,
Telegraphic,
September 12;
No. 239,
September 13,
1906.

To Sir A. Nicolson,
No. 274,
Telegraphic,
September 7, 1906.

Sir A. Nicolson,
No. 211,
Telegraphic,
September 8;
No. 603,
September 8, 1906.

Sir A. Nicolson,
No. 217,
Telegraphic,
September 11;
No. 607,
September 11,
1906.

Sir A. Nicolson,
No. 611,
September 12;
No. 230,
Telegraphic,
September 19;
No. 625,
September 19,
1906.

To Sir A. Nicolson,
No. 274,
Telegraphic,
September 7, 1906.

Sir A. Nicolson,
No. 215,
Telegraphic,
September 8, 1906.

To Sir A. Nicolson,
No. 232,
Telegraphic,
September 10,
1906.

To Sir A. Nicolson,
No. 369,
Telegraphic,
September 27,
1906.

Sir A. Nicolson,
No. 243,
Telegraphic,
September 23;
No. 647,
Confidential,
September 24;
Nos. 250 and 251,
Telegraphic,
September 29;
No. 663,
September 29;
No. 254,
Telegraphic,
October 1, 1906.

To Sir A. Nicolson,
No. 381,
Telegraphic,
October 2, 1906.
Sir A. Nicolson,
No. 670,
October 4, 1906.

Sir A. Nicolson,
No. 264,
Telegraphic,
October 10;
No. 686,
October 10, 1906.

To Sir A. Nicolson,
No. 487,
October 31, 1906.

Sir A. Nicolson,
No. 286,
Telegraphic,
November 3, 1906.

Sir A. Nicolson,
No. 303,
Telegraphic,
November 30;
No. 792,
November 30,
1906.

Government in the proposed joint advance to Persia, but M. Isvolsky was most unwilling to treat the matter in this way, fearing that the exchange of the two lines would cause excitement in Persia, attract the curiosity of third parties, and prematurely disclose the aims of the discussion in progress, and thus jeopardize the success of the whole negotiation between the two Powers. He therefore desired to treat the question, along with other telegraph questions, as part of the General Agreement which it was hoped to conclude, and keep it apart from that of the advance.

His Majesty's Government, however, adhered to their view, which M. Isvolsky again combated, at the same time begging for more time to study the question.

At length, on the 10th October, he addressed to Sir A. Nicolson a further Memorandum, repeating the arguments used before against an immediate exchange of lines, and suggesting, as a compromise, the addition of a special wire to the Meshed-Seistan line, to be worked with English instruments, and of a similar wire on the Tehran-Meshed line, to be worked with Russian instruments. The Memorandum maintained the contention that the recent proceedings on the former line did not constitute a disturbance of the *status quo*.

His Majesty's Government, after mature consideration, found themselves unable to accept the proposed compromise. They considered that the proceedings of the Russians with respect to the Meshed-Seistan line had had the effect of transferring the line from Persian into Russian hands, which constituted a radical modification of the *status quo* at a moment when negotiations between England and Russia were in progress at St. Petersburg, which was inconsistent with the proposal for the recognition by Russia of a line from Birjand to Bunder Abbas, to the east of which British influence was to be paramount. His Majesty's Government accordingly proposed a reversion to the *status quo*, or, failing this, an exchange of lines as previously suggested.

After some delay the Russian Government, while still maintaining that no violation of the *status quo* had taken place, proposed the following compromise:—

1. The addition of a second wire to the Meshed-Seistan line, to be worked with English instruments.
2. The addition of a similar wire to the Meshed-Tehran line, to be worked with Russian instruments.
3. The continuance on Russian and English instruments as at present of the existing wires on both lines.
4. The gradual substitution by Russia on the Meshed-Seistan line of stronger cypress poles, capable of bearing two wires for those at present in use.
5. The recall of the Russian inspectors on the Meshed-Seistan line and the appointment instead of Persian gholams, to be paid by Russia.
6. Abstention on the part of Russia from placing any obstacles in the way of the construction by England of a line between Nasratabad and Koh-i-Malik Siah.

To Sir A. Nicolson,
No. 9,
Telegraphic,
February 8, 1907.
After consultation with the India Office, Sir A. Nicolson was instructed to propose to the Russian Government that, to avoid the expense of placing additional wires on the lines, combined offices should be established at all stations where British and Russian signallers were employed or separate offices belonging to each Power with a commutator accessible to

each, and that the signallers of each Power should have for certain fixed hours in each day uninterrupted possession of the offices and lines.

Nothing more was heard of this proposal, and the original idea of an exchange of the Meshed-Seistan and Tehran-Meshed lines was reverted to.

The Russian Government were in favour of arranging the matter separately from the Anglo-Russian Agreement. They were informed that there was no objection to the transfer being effected outside the Agreement by an exchange of notes to be signed simultaneously with the signature of the Agreement.

Sir A. Nicolson prepared a draft annex to the Agreement providing for the exchange, which he was authorized to submit to the Russian Government.

The Russian Government replied with a counter-draft proposing that British control of the Meshed-Seistan line should only commence in the neutral zone south of the Russian sphere of interest, on the ground that no British control should be exercised in the Russian sphere. They also proposed that before the arrangement could come into force the adhesion of the Persian Government should be obtained.

Sir A. Nicolson was instructed to reply that we considered that the transfer should be complete, and that we should have control of the whole line; but subsequently this attitude was modified, and the Russian Government were informed that we would not insist on control within the Russian sphere if they adopted a friendly attitude with regard to the prolongation of our Telegraph Concessions, and on this condition we agreed to the Russian draft.

It was decided that the Khaf should be the point at which British control should begin, and that a clause should be added to the effect that the two Governments would instruct their Representatives at Tehran to take joint action with a view to obtaining the consent of the Persian Government. With these exceptions, the text of the Russian counter-draft was adopted.

The Arrangement was signed on the 31st August, simultaneously with the signature of the Anglo-Russian Agreement. (For text see Appendix.)

Particulars as to our control over the Tehran-Meshed line were supplied to the Russian Government, who in turn furnished us with information as to their control over the Meshed-Seistan line.

After an exchange of views between the two Governments, identical instructions were sent to the British and Russian Representatives at Tehran to confer together with a view to deciding the best means of obtaining the consent of the Persian Government to the Arrangement.

Mr. Marling replied that the Russian Minister had informed his Government that the moment was inopportune for approaching the Persian Government on the subject, and that he concurred in this view, as the Assembly was still very sensitive about the Agreement.

[1549]

Sir A. Nicolson,
No. 101,
February 20, 1907.

To Sir A. Nicolson,
No. 30,
Telegraphic,
March 8, 1907.

Sir A. Nicolson,
No. 125,
March 10, 1907.

Sir A. Nicolson,
No. 132,
March 13, 1907.

To Sir A. Nicolson,
No. 48,
Telegraphic,
April 13, 1907.

Sir A. Nicolson,
No. 94,
Telegraphic,
June 14; No. 317,
June 14, 1907.

To Sir A. Nicolson,
No. 82,
Telegraphic,
June 17, 1907.

Sir A. Nicolson,
No. 114,
Telegraphic,
June 19, 1907.

To Sir A. Nicolson,
No. 100,
Telegraphic,
July 5, 1907.

Sir A. Nicolson,
No. 444,
August 31, 1907.

To Sir A. Nicolson,
No. 158,
Telegraphic,
August 26;
No. 162,
Telegraphic,
August 27, 1907.

Sir A. Nicolson,
No. 487,
September 21,
1907.

Sir A. Nicolson,
No. 500,
October 2, 1907.

To Sir C. Spring-
Rice, No. 170,
October 2, 1907.

Mr. Marling,
No. 301,
Telegraphic,
October 21, 1907.

Proposed Renewal of Indo-European Telegraph Department's Concessions.

Sir C. Spring-Rice, No. 86, Telegraphic, April 17, 1907. The Indo-European Telegraph Company having renewed their contract for twenty years from 1925, Sir C. Spring-Rice recommended that the Department should renew their Concessions which also expired in 1925 for a similar period.

India Office, May 8, 1907. The India Office approved the proposal, but suggested the advisability of informing the Russian Government of any action taken in the matter.

To Sir C. Spring-Rice, No. 77, Telegraphic, May 15, 1907. The necessary instructions were accordingly sent to Tehran and St. Petersburg.

To Sir A. Nicolson, No. 184, May 15, 1907. Sir A. Nicolson, No. 79, Telegraphic, May 29, 1907. The Russian Government pointed out in reply that two of the lines would pass through provinces included in the proposed Russian sphere and that therefore the action we proposed would be a disturbance of the *status quo* which it had been agreed to maintain pending the conclusion of the Agreement.

To India Office, June 1, 1907. India Office, June 8, 1907. To India Office, June 19, 1907. India Office, June 21, 1907. To Sir A. Nicolson, No. 90, Telegraphic, June 21, 1907. After discussion with the India Office Sir A. Nicolson was instructed to explain to the Russian Government that we had always held the view and still hold it in principle that the maintenance of existing Concessions provided for in the proposed Agreement implies their renewal if the Persian Government agrees. He was to suggest to them that they waive their objection to the renewal of the Concessions in return for a surrender to them of our rights over the Tehran-Khanikin line, explaining that on the expiry of our Telegraph Concessions the German Government would probably try to get control of the telegraph line from Khanikin to Tehran and eventually to the Indian frontier.

Sir C. Spring-Rice, No. 133, Telegraphic, May 31; No. 134, Telegraphic, May 31, 1907. India Office, July 4, 1907. In the meanwhile Sir C. Spring-Rice had telegraphed that in view of the Russian reply he proposed to suspend action in the matter though he did not anticipate much difficulty in getting the extension.

To Sir C. Spring-Rice, No. 116, July 10, 1907. In July a suggestion was made by the India Office that, as an inducement to the Persian Government to renew the Concessions, they might be informed that we did not in future intend to put forward claims for damage to the line, as had been the practice hitherto, and Sir C. Spring-Rice was authorized to make a communication in this sense when the time came to discuss the question of the renewal.

Sir C. Spring-Rice, No. 216, Telegraphic, August 11, 1907. It was suggested by Sir C. Spring-Rice that, in order to prevent an arrangement between Russia and Germany, if our rights over the Tehran-Khanikin line were surrendered to Russia, a provision should be made that they should not be transferred to third parties without our consent.

India Office, August 24, 1907. The India Office were in favour of this proposal, but it was not considered advisable to introduce at that moment a further condition into the negotiations.

Sir A. Nicolson, No. 428, August 26, 1907. On the 24th August the Russian Government replied to the proposal which Sir A. Nicolson had been instructed on the 21st June to make to them. They accepted in principle the cession to Russia of our rights over the Tehran-Khanikin line, and stated that they had no objection to the renewal for twenty years of the Tehran-Bushire, Jask-Gwadur, and Kashan-Robat Concessions.

To Sir C. Spring-Rice, No. 130, Telegraphic, September 27, 1907. Sir C. Spring-Rice was therefore instructed to approach the Persian Government in the matter when he considered the moment opportune.

Sir C. Spring-Rice, No. 282, Telegraphic, September 30, 1907. He replied that he thought the moment inopportune in view of the recent publication of the Anglo-Russian Agreement and the unsettled political situation.

Proposed Extension of Telegraph Line from Seistan to Indian Frontier.

Duplication of Wire from Tehran to Shahrud.

At the end of April 1907 Sir C. Spring-Rice reported that the Persian Minister of Telegraphs had applied privately to the Indo-European Telegraph Department for assistance in providing material for the construction of this extension which the Persian Government proposed to carry out themselves.

As the Government of India had in store at Robat all the material required, it was considered that an attempt should be made to induce the Persian Government to intrust the construction and control of the line to the Government of India, and instructions in this sense were sent to Tehran.

Sir C. Spring-Rice replied that it would be difficult to obtain this, in view of the existing feeling against foreign Concessions, and suggested that the Telegraph Department might offer to give the iron posts stored at Robat for the price which wooden posts would cost, and to lend experts to assist in the construction, and that when constructed, the line might be maintained by the Department.

After consultation with the India Office Sir C. Spring-Rice was instructed to inform the Persian Government that the Government of India were prepared to sell the material at Robat at the rate list value exclusive of cost of transport and to assist in the construction on the same terms as in the case of the Henjam-Bunder Abbas line, viz., the line to be constructed by the Indo-European Telegraph Department at a price previously estimated and to be handed over to the Persian Telegraph Administration on its completion and on the repayment of its cost, that the condition attached to this proposal was that the Persian Government should undertake that the control of the line should never be made over to any foreign Government or Company, and that none but Persian and British employes should be employed on it.

The advantage to His Majesty's Government of this proposal was held to be that the Persian Government are not likely to be able to repay the cost for a long time, and that until they do so the line would be controlled by the Indo-European Telegraph Department.

Sir C. Spring-Rice replied that the Persian Telegraph Department had not renewed their request, and that if he raised the question officially it would be opposed by the Russian Minister.

It was decided not to take any steps towards obtaining the withdrawal of Russian opposition until after the conclusion of the Anglo-Russian Agreement, and Sir C. Spring-Rice was instructed to suspend action for the present.

On the 15th July Sir C. Spring-Rice telegraphed that he had secret information that the Minister of Telegraphs was receiving a loan from the Russian bank for the purpose of constructing the Seistan-Robat line, and a second wire from Tehran to Shahrud for the use of the Russian Legation. He thought this loan had as a condition that the Robat line should be under Russian control.

The information as to the Seistan extension did not appear sufficiently well-founded, but a Memorandum was addressed to the Russian Ambassador with regard to the reported loan and second line to Shahrud, pointing out that such action would be a disturbance of the *status quo* which it had been agreed to maintain pending the conclusion of the Agreement.

His Majesty's Chargé d'Affaires at St. Petersburg was instructed to mention to the Russian Government the report as to the Seistan extension, and also to explain that the Persian Government had in April asked us to help them in constructing the line, but that, in view of the understanding as

to the *status quo*, we did not propose at present to consent, though we assumed the Russian Government would raise no objection to our doing so eventually, having already admitted the principle (see clause 6 of Russian proposal on p. 8).

The Russian Minister for Foreign Affairs informed him, in reply, that the report as to the loan for the purpose of the extension was unfounded and that, though it should not be done pending the conclusion of the Agreement, the Russian Government had no objection to its eventual construction with British funds.

In the meantime, the Russian Minister had informed Sir C. Spring-Rice that he had taken no steps whatever in the matter of the Seistan extension. The latter accordingly informed the Grand Vizier that if any steps were taken for its construction without our knowledge and consent he would hold the Persian Government responsible.

Mr. O'Beirne,
No. 141,
Telegraphic,
August 12, 1907.
Sir C. Spring-Rice,
No. 201,
Telegraphic,
July 27; and
despatch No. 173,
August 11.

Sir C. Spring-Rice,
No. 210,
Telegraphic,
August 9, 1907.

On the 9th August Sir C. Spring-Rice reported that the Persian Government had given an assurance that they would not allow the line, if constructed, to fall into the hands of the Russians, and that the Russian Minister had asked for the construction of a second wire to Shahrud on the well-founded ground of delay in transmission of messages.

Count Benckendorff, Memo-
randum,
August 20, 1907.

The Russian Ambassador also denied that the Russian Legation had attempted to obtain a second wire to Shahrud "for their special use," or that a loan had been made for this purpose or for the construction of the Seistan extension.

Minute to India
Office,
August 15, 1907.

It was consequently concluded that the second wire to Shahrud was merely a supplementary wire, which would be under the same control as the original one. The incident was therefore deprived of any importance.

Proposed Appointment of French Financial Adviser to Persian Government.

Sir C. Spring-Rice,
No. 232,
Telegraphic,
August 26, 1907.

In August 1907 a request was made by the Persian Government to the French Minister for the appointment of a French financier to report and advise on the financial situation.

Sir A. Nicolson,
No. 112,
August 30, 1907.

The Russian Government saw no objection, especially as in case of a refusal, the Persian Government might appoint a Swiss who would be under German influence, but thought the appointment should be subject to the following conditions:—

1. That he should engage not to interfere in political matters;
2. That he should not assist in organizing the National Bank; and
3. That he should not treat in regard to a foreign loan without informing the British and Russian Representatives.

To Sir A. Nicolson,
No. 170,
Telegraphic,
August 28, 1907.

The view taken by His Majesty's Government was that they would prefer a French Adviser to one of any other nationality.

Sir C. Spring-Rice,
No. 273,
Telegraphic,
September 23,
1907.

On the 23rd September Sir C. Spring-Rice telegraphed that the French Government had not yet appointed an expert and that the delay was unfortunate.

To Sir F. Bertie,
No. 540,
September 28,
1907.

Sir F. Bertie was thereupon instructed to speak to the French Minister for Foreign Affairs on the subject suggesting the desirability of losing no time in coming to an agreement as to the appointment with Great Britain and Russia.

Mr. Lister,
No. 486,
October 3, 1907.

Mr. Lister was informed by the French Government that M. Bizot, an Inspector of Finance, had been selected.

The French Minister at Tehran thought it would not be possible to mention in the contract the conditions desired by the Russian Government, but suggested that they might be secured by furnishing M. Bizot with a letter of general instructions stating that he must on all matters consult the Russian and British Legations and that he was under the general instructions of the French Legation.

His Majesty's Government were satisfied with this suggestion, but the Russian Government wanted more details as to the proposed instructions to M. Bizot before deciding.

The Assembly, however, proved suspicious of the omission from the proposed contract of all reference to the National Bank. The Russian Minister was therefore prepared to allow the National Bank to be mentioned in it, and to rely solely on M. Bizot's general instructions to insure that it should not be established.

This procedure did not meet with the approval of His Majesty's Government as it did not seem straightforward or fair to press the Persian Government for the conclusion of the contract unless the establishment of the National Bank under proper conditions were contemplated. It was, however, pointed out to the Russian Government that it was of the greatest importance to conclude the contract without delay in order to prevent the serious danger of Persia having recourse to Germany, and that even if the National Bank were founded it would be less harmful under French than other auspices. They were therefore urged to agree to its conclusion without further delay even if mention had to be made of the establishment of the National Bank.

The Russian Government agreed and the French Government promised to hasten consideration of the contract which had been accepted by the Assembly as soon as they should receive it.

Mr. Marling on the 22nd December reported that the German Chargé d'Affaires was intriguing to secure the appointment of M. Priem, one of the Belgian Customs' employés who had been dismissed by the Assembly, that the French Government were making difficulties as to M. Bizot's contract, and that a fresh draft was being sent to Tehran by post. He pointed out the danger of this delay.

Sir F. Bertie was thereupon instructed to represent to the French Government the importance of accepting the contract without further delay.

The French Government replied that they were quite alive to the necessity for getting the matter settled, but that there were several points which they considered unsatisfactory. For instance, it was not stipulated what his exact title should be—that of Financial Adviser not being mentioned.

As this did not appear very satisfactory Sir A. Nicolson was instructed to consult the Russian Government as to what further action would be advisable.

Concession for German Bank.

In August 1906 permission was given by the Grand Vizier for the establishment of a German Bank in Tehran.

Mr. Marling,
No. 293,
Telegraphic,
October 10;
No. 232,
October 11, 1907.

To Sir A. Nicolson,
No. 260,
Telegraphic,
October 24, 1907.
Sir A. Nicolson,
No. 225,
Telegraphic,
October 31, 1907.

Mr. Marling,
No. 295,
Telegraphic,
October 14;
No. 317,
Telegraphic,
October 31;
No. 322,
Telegraphic,
November 3, 1907.

To Sir A. Nicolson,
No. 286,
Telegraphic,
November 1, 1907.

Sir A. Nicolson,
No. 234,
Telegraphic,
November 6, 1907.

Sir F. Bertie,
No. 64,
Telegraphic,
November 16,
1907.

Mr. Marling,
No. 406,
Telegraphic,
December 22, 1907.

To Sir F. Bertie,
No. 143,
Telegraphic,
December 24, 1907.

Sir F. Bertie,
No. 69,
Telegraphic,
December 25, 1907.

To Sir A. Nicolson,
No. 364,
Telegraphic,
December 30,
1907.

Mr. Grant Duff,
No. 236,
September 13,
1906.

To Sir F. Lascelles,
No. 265,
September 25,
1906.

The German Chargé d'Affaires informed Sir C. Hardinge of the fact, but stated that it indicated no change in German policy as regards Persia, where Germany had no political interests, and only wished to develop her trade.

To Sir F. Lascelles,
No. 271,
October 2, 1906.

A few days later he informed Sir C. Hardinge that, owing to the lack of interest shown in the proposal by German financiers, it was not unlikely that the project would never be realized, but that in any case it would be a purely private bank, and in no sense a State Bank, and that the German Government would refrain from entering into any question of a loan to Persia.

Sir C. Spring-Rice,
No. 13,
Telegraphic,
February 2, 1907.

Nothing more was heard of the matter until April 1907, when Herr Gutmann, of the Dresdner Bank, and recently Director of the Orient Bank at Cairo, proceeded to Tehran with the object of giving effect to the project.

Sir C. Spring-Rice,
No. 103,
May 19, 1907.

He informed Sir C. Spring-Rice that he intended to begin operations on a modest scale by advancing money on bills of lading in connection with the trade between Persia and Constantinople. He further proposed to look about him for profitable enterprises, and hoped to find such, especially in connection with mining and irrigation.

Sir C. Spring-Rice,
No. 115, May 24;
No. 158, July 16;
No. 175,
August 12, 1907.

The original permission to establish the bank appears to have been given on the understanding that the bank would make a loan to the Persian Government, and it is believed that the first draft submitted by Herr Gutmann contained a clause binding the bank to advance 1,000,000 tomans. This clause was rescinded by the German Minister on the ground that "it would embarrass the Persian Government." The real reason was possibly the pledge given by Germany to England and Russia that there would be no question of a German loan to Persia. It may, however, have been that Herr Gutmann realized the impossibility of obtaining proper security for a loan. His demands included the right to lend money on mortgage; to import 100,000/ worth of silver for coinage free of import duty; the preferential treatment of debts due to the German Bank which were to be collected by the Persian authorities; Mining and Irrigation Concessions; and the grant of free sites at Tehran, Tabreez, and Bushire.

Sir C. Spring-Rice informed the Minister for Foreign Affairs of his objection to any grant of a Concession on the shore of the Gulf, and to any preferential treatment of debts due to the German Bank, but he distinctly stated that he could have no objection to the establishment of a commercial banking-house which the Germans by Treaty had a perfect right to demand. He, however, insisted that as the affairs of British and Russian enterprises had been submitted to the Assembly, full publicity should be given to the German Concession, and that the Assembly's consent should be publicly asked for.

It is therefore clear that Herr Gutmann's accusation that Sir C. Spring-Rice opposed the scheme at every step is quite untrue. The latter confined his action to seeing that existing British interests were not injured.

The German Minister adopted a somewhat peremptory tone with the Persian Government, threatening them with the Emperor's displeasure if his proposals were not accepted.

Sir C. Spring-Rice,
No. 175,
August 12, 1907.

The Concession was subjected to a prolonged discussion in the Assembly, and was eventually passed, but in a much modified form. It contained no mention of mining and irrigation rights. The claim respecting free import of silver, the right to lend money on mortgage, and preferential treatment in the collection of debts were eliminated, and the bank books were to be open to the inspection of the Persian authorities.

The Concession binds the Deutsche Orient Bank to open a branch in Persia within three years with a capital of 200,000/. It holds good for forty-five years, and will thus continue till three years after the expiration of that of the Imperial Bank, giving the Germans the opportunity of acquiring the right to issue bank-notes. The bank agrees to undertake all financial and commercial operations on its own account and on account of others. It is not to charge more than 12 per cent., and will make Government payments abroad without charging commission. It receives equality of treatment with the other banks with regard to the import and minting of silver.

The German Minister consoled himself for the small results obtained

with the reflection that Germany had now a legitimate interest to defend in Persia, however small. Herr Gutmann was deeply disappointed. He informed Sir C. Spring-Rice that he had been grossly deceived by the Persians, and that his experience of their methods of business led him to place little confidence in the success of any enterprise in Persia until the country were reduced to the status of Egypt or Bokhara.

Increase of Consular Escort at Ispahan, Shiraz, and Ahwaz.

On the 5th September, 1907, Sir C. Spring-Rice telegraphed that, owing to the menacing attitude of the populace, His Majesty's Consul-General at Ispahan asked that his guard might be increased to twenty men.

The India Office were requested to give the necessary instructions to the Government of India, which they did on the understanding that the cost would be equally divided between the British and Indian Governments.

The Government of India proposed to send up twelve extra men, nominally for the relief of the existing escort of eight, whose relief was then due, but that the escort should not actually be relieved until the spring.

On the 10th September Sir C. Spring-Rice telegraphed that he had received most disquieting reports from His Majesty's Consul at Ahwaz as to the situation of the Oil Syndicate's employes. The tribesmen were rapidly getting beyond control, and the work might have to be abandoned. His Majesty's Consul recommended an increase of his escort for their protection.

The Government of India, after consulting His Majesty's Resident at Bushire, stated their readiness to send ten men, with one officer, for the protection of each of the two principal camps.

Both the proposals were submitted to the Treasury for their sanction.

They replied that they were prepared to sanction the increase at Ispahan if it was required solely for the protection of the Consulate and Consular staff, but that they could not do so in the case of Ahwaz, where the increase seemed to be mainly required for the protection of the employes of the Oil Syndicate.

Further representations having been made to them as to the disastrous effect on British prestige which the abandonment of the Oil Syndicate's enterprise would involve, they eventually reconsidered this decision, on the understanding that the increase should only be maintained for six months, and the Government of India were requested to make the necessary arrangements for the immediate dispatch of twenty men and two officers.

Mr. Marling, however, considered twenty men an altogether insufficient increase for Ahwaz and seemed to contemplate the dispatch of a force of 100 men.

He was informed in reply that the force he recommended would be too small to be justifiable on military grounds, although it would be large enough to be misinterpreted by the Persian Assembly and Russian Government. The dispatch of twenty men was a different matter; they were intended as a substantial addition to Captain Lorimer's escort of twelve men, which he appeared to contemplate using at Batwand and other places. It must be left to his discretion when and in what numbers to employ them. If they proved insufficient for the protection of all the camps, the employes must be concentrated where they could be protected, and if a serious attack was anticipated, the officer in charge should avoid a conflict and retire to the river with the British employes.

Sir C. Spring-Rice,
No. 243,
Telegraphic,
September 5, 1907.

To India Office,
September 9, 1907.

India Office,
September 11,
1907.

India Office,
October 16, 1907.

Sir C. Spring-Rice,
No. 253,
Telegraphic,
September 10,
1907.

Sir C. Spring-Rice,
No. 257,
Telegraphic,
September 16,
1907.

To Treasury,
October 22, 1907.

Treasury,
November 6, 1907.

Treasury,
December 7, 1907.

To India Office,
November 22,
1907.

Mr. Marling,
Telegraphic,
November 20;
No. 360,
Telegraphic,
November 28,
1907.

To Mr. Marling,
No. 187,
Telegraphic,
November 29,
1907.

Mr. Marling,
No. 327,
Telegraphic,
November 5, 1907.

Similar arrangements as in the case of Ispahan were made for the retention of the actual guard at Shiraz after the arrival of the expected reliefs until the situation should improve.

India Office,
November 7, 1907.

To Sir A. Nicolson, No. 335,
Telegraphic,
November 27, 1907.

Sir A. Nicolson was instructed to inform the Russian Government of the increase of the guards effected at all three places.

Proposed Joint Anglo-Russian Advance to Persian Government.

(Confidential
Paper, 8673,
p. 107)

Government of
India to
Mr. Morley,
Telegraphic,
January 9, 1906.

On the 1st December, 1905, the Persian Grand Vizier applied to His Majesty's Government, through His Majesty's Legation at Tehran, for a further loan of 800,000*l.*, offering as security the Caspian fisheries, post and telegraph revenues and customs of Fars (all of which had already been pledged for the two previous advances), and stating that if he failed to do this, he would be forced to accept an offer made by Russia of a third loan of 1,500,000*l.* on certain political conditions which he declared himself unable to reveal. This request was referred to the Government of India for their views, and they, on the 9th January, 1906, stated the conditions which, in their opinion, should be insisted on in return for such a loan, if it were decided to grant it. These conditions were as follows:—

1. A concession for a road from Bunder Abbas by way of Regan to Bam, together with the exclusive right of running motors or other mechanically propelled vehicles thereon.
2. An undertaking from the Persian Government that any roads, railways, telegraphs, or canals in Southern Persia (*i.e.*, south of a line from Khanikan to Birjand) should be constructed under the auspices of His Majesty's Government so far as foreign assistance might be required for the purpose.
3. The right to carry out the Karun irrigation scheme on the lines already indicated by the Government of India.
4. The right to connect Robat with Nasratabad by telegraph.

Mr. Morley to
Government
of India,
Telegraphic,
January 24, 1906.

After considering, however, the arguments in favour of granting the loan, His Majesty's Government decided to refuse it, on the grounds that it would not permanently benefit Persia in the condition in which she then was, and that the sole object of granting it would be to obtain concessions which, whether regarded in themselves or as a means of resisting Russian influence in Southern Persia, would prove of doubtful value in the long run. They realized, of course, that the Persian Government would, in consequence of their refusal, probably apply to Russia, but they had good reason to believe that this application would be refused, in view of Count Lamsdorff's expression to Sir C. Hardinge on the 5th January, 1906, of his strong objection to making any further loan to Persia.

Sir C. Hardinge,
No. 32,
January 6, 1906.

Mr. Grant Duff,
No. 32,
Telegraphic,
January 31, 1906.

Trustworthy information did, in fact, soon afterwards reach His Majesty's Legation at Tehran that the Persian Government had already approached the Russian Legation on the subject, though they were endeavouring at the same time to induce His Majesty's Government to reconsider their refusal.

To Mr. Grant Duff,
No. 22,
Telegraphic,
February 2, 1906.

To Mr. Spring-Rice,
No. 34,
Telegraphic,
February 2, 1906.

Mr. Spring-Rice,
No. 25,
Telegraphic,
February 8, 1906.

His Majesty's Government felt unable to do this, and so informed the Persian Government, at the same time telling the Russian Government, confidentially, what had occurred, and adding that, if a similar application were made at St. Petersburg, England would expect reciprocity on the part of Russia. They intimated, however, that should the Russian Government consider it for any reason desirable to assist Persia financially, they would be quite ready, if consulted, to discuss the matter in a friendly spirit.

This communication was well received by the Russian Government,

the Emperor personally expressing his satisfaction; but, nevertheless, the Persian Government once more endeavoured to induce His Majesty's Government to grant a loan by asserting that, if the request was refused, Russia was ready to do so, though on onerous conditions. At the same time they tried the same tactics to persuade Russia to lend, but their efforts proved unsuccessful in both cases.

Mr. Grant Duff,
No. 39,
Telegraphic,
February 7, 1906.

Mr. Spring-Rice,
No. 39,
Telegraphic,
February 16, 1906.

To Mr. Spring-Rice,
No. 42,
Telegraphic,
February 16, 1906.

Mr. Spring-Rice,
No. 187,
March 14, 1906.

The Persian Government next attempted to obtain money by intimating, on the 18th February, 1906, to Mr. Grant Duff that they were ready to

Mr. Grant Duff,
No. 50,
Telegraphic,
February 19, 1906.

accept the 150,000*l.** which His Majesty's Government had expressed their willingness to advance in July 1905, but His Majesty's Government declined to renew the offer, on the ground that it had since been set aside by proposals of a totally different character.

To Mr. Grant Duff,
No. 33,
Telegraphic,
February 20, 1906.

No further development of this question took place till May, when a rumour reached His Majesty's Legation at Tehran that a loan of 25,000,000 marks was about to be made to the Persian Government by Germany, under cover of Belgian financiers, on the following conditions:—

Mr. Grant Duff,
No. 131, Secret,
Telegraphic,
May 9; No. 142,
Confidential,
May 22, 1906.

1. A coaling station on the estuary of the Shatt-el-Arab.
2. A concession for a road from Kermanshah to Khanikin.
3. A hospital and college at Tehran under German management.

The necessary Agreement was said to have been negotiated by M. Naus during a visit to Constantinople.

Sir E. Grey mentioned this report to Count Benckendorff in conversation on the 11th May, and suggested that a joint loan to Persia by Great Britain and Russia might be worth considering as a temporary expedient to aid in the preservation of the *status quo* and prevent the interference of third persons until a final Arrangement of the Persian question between the two Powers had been concluded.

To Mr. Spring-Rice,
No. 213,
May 11, 1906.

The Persian Grand Vizier, on his part, denied to Mr. Grant Duff that any negotiations were in progress for a loan from Germany, though he stated that, as financial assistance was denied both by England and Russia, Persia would be obliged to apply for money elsewhere.

Mr. Grant Duff,
No. 136,
May 14, 1906.

Whether the rumour was founded on fact it is not possible to determine, but it was in any case sufficiently persistent and explicit to cause considerable anxiety to the Russian Government.

Sir N. O'Connor,
No. 353, Secret,
May 20, 1906.

Early in July a fresh report became current at Tehran to the effect that the Persian Government were about to obtain a loan from Belgian financiers. This rumour was denied by M. Naus, but Sir A. Hardinge was, nevertheless, able to report some days later from Brussels that a proposal had been received there from that gentleman by a well-known Belgian capitalist, M. Amplain, to negotiate a loan of 2,000,000*l.* to Persia, secured on the Persian customs, with the authorization and guarantee of the Russian Government, which M. Naus professed to be able to obtain.

Mr. Grant Duff,
No. 180,
Telegraphic,
July 12; No. 183,
Telegraphic,
July 15, 1906.

Sir A. Hardinge,
No. 115A,
Telegraphic,
July 26, 1906.

The Russian Government, on their part, denied all knowledge of such a project.

Sir A. Nicolson,
No. 180,
Telegraphic,
August 3, 1906.

Late in August the Persian Government again pressed the Russian Minister at Tehran to obtain for them an immediate advance of 3,000,000 tomans, and also a loan of 20,000,000 tomans, stating that their financial condition was such that they would subscribe to any conditions which might be demanded of them. They pretended that His Majesty's Government had

Sir A. Nicolson,
No. 202,
Telegraphic,
August 31;
No. 575,
September 1, 1906.

* See Confidential Paper 8673, p. 107.

been offering them a loan in return for political concessions, and intimated that if neither England nor Russia would help them, they would be obliged to apply to Germany. In these circumstances the Russian Government expressed the desire to consult with His Majesty's Government as to the best means of assisting the Persian Government, whose financial condition was doubtless almost desperate.

To Sir A. Nicolson,
No. 262,
Telegraphic,
September 3, 1906.

His Majesty's Government expressed their willingness to discuss the question of making a joint advance, and for this purpose to instruct Mr. Grant Duff to ascertain, in conjunction with M. Hartwig, how much was required and how its application to objects of real necessity could be secured. His Majesty's Government were of opinion, however, in view of the uncertainty of the Shah's health and the consequent instability of the present Government in Persia, that it would be more useful to defer the loan, which might enable a better start to be made with a new Government; any immediate loan should be sufficient only for the bare necessities of a short period. His Majesty's Government added that they assumed that the Russian Government agreed with them in supporting the candidature of the Valiahd as the successor of the Shah.

Sir A. Nicolson,
No. 205,
Telegraphic,
September 5 1906.
Mr. Grant Duff,
No. 237,
Telegraphic,
September 9, 1906.

The Russian Government agreed to send similar instructions to M. Hartwig, and the two Representatives, after consultation, agreed to make the following recommendations to their Governments:—

1. No large sum to be lent.
2. A combined advance to be made, of which the probable amount would be about 400,000/.
3. Half the advance to be paid to the Imperial Bank of Persia and half to the Russian Bank.
4. Both Legations to be notified when the Persian Government desired to draw.
5. Strict accounts to be rendered to both Legations at stated intervals.
6. No part of the advance to be applied to paying off the sums due to the two banks from the Persian Government.
7. Measures to be taken to insure the application of the money to real necessities.

Sir A. Nicolson,
No. 213, Very
Confidential,
Telegraphic,
September 8;
No. 600, Very
Confidential,
September 8, 1906.

Just at this time the Russian Government informed His Majesty's Government that they had learnt that negotiations were proceeding between the Persian Government and a German bank (as M. Isvolsky supposed, the Deutsche Bank) for an immediate advance, without any guarantees, of 5,000,000 tomans and a subsequent loan of 15,000,000 tomans, to be secured on some guarantees and concessions, among the latter of which would figure the establishment of a German bank in Persia.

This revival, in a very circumstantial form, of the report of a contemplated German loan perturbed the Russian Government considerably, and they expressed anxiety to block the scheme by arranging for an immediate joint advance by England and Russia.

To Sir A. Nicolson,
No. 290,
Telegraphic,
September 12,
1906.

His Majesty's Government accordingly proposed to them the adoption of the conditions proposed by the two Representatives at Tehran, and suggested that, as security for the British half of the advance, they should take a lien, additional to that which they already held, upon the customs of the Southern and Gulf ports, and that they should receive an undertaking from the Persian Government not to grant to other Powers concessions for railways, roads or telegraphs in the district east of a line drawn from Birjand to Bunder Abbas. This would leave Russia free to take security or make her own terms west of that line.

After considering the proposals of His Majesty's Government the Russian Minister for Foreign Affairs informed Sir A. Nicolson that he thought it more prudent not to connect with so comparatively trifling a matter as the proposed advance demands of so far-reaching a character which were practically to be equivalent to the division of Persia into spheres of influence, and which might alarm the Persian Government and drive them to apply to others who would relieve their immediate necessities on less burdensome conditions. He suggested, therefore, that the repayment to the Imperial Bank of Persia and the Russia Bank of the advances made by them to the Persian Government, which would shortly fall due, should be postponed, that His Majesty's Government should content themselves with a lien on the customs of the ports of Southern Persia, and should furnish their moiety of the advance at once, the Russian Government supplying theirs in five or six months, as it was inconvenient to them, for various reasons, to provide it immediately.

His Majesty's Government had no objection to the first two of these conditions, but considered that each Government should share in the first moiety of the advance, and desired to obtain from the Russian Government the recognition of the Birjand-Bunder Abbas line as a starting point of common action.

The Russian Government expressed their willingness to meet the views of His Majesty's Government on the first point, but M. Isvolsky still demurred, for the reasons which he had already given, to the recognition in connection with the joint advance, of the Bunder Abbas line, though both he and the Minister of Finance were personally in favour of admitting it and of finding Russia's sphere of interest in Northern Persia.

His Majesty's Government remained of opinion that their acceptance of M. Isvolsky's view, that it was inadvisable to exact conditions from Persia in return for the advance, did not preclude the recognition by the Russian Government of the Birjand-Bunder Abbas line as delimiting the sphere of British influence in Eastern Persia, and the immediate settlement of the telegraph difficulty in Seistan. They preferred that these conditions should be accepted by Russia at once as the starting point of common action, but were nevertheless willing to pay their first contribution of 100,000/ if the exigencies of the situation in Persia should be found to demand the immediate payment of the first moiety of the advance before it was possible to come to an arrangement with Russia to the above effect. They informed the Russian Government, however, that they would be unable to contribute to the second moiety of the advance unless the Birjand-Bunder Abbas line were recognized and the telegraph difficulty in Seistan settled accordingly.

M. Isvolsky stated that if His Majesty's Government insisted on their point of view, Russia would have to find the money for the second moiety of the advance without the assistance of England, as she could not recognize the Birjand Bunder Abbas line without previous consultation with his colleagues, from some of whom he expected opposition. He renewed his appeal in favour of keeping all such questions for discussion in connection with a general Anglo-Russian Agreement, for which he adduced several fresh reasons.

Sir A. Nicolson,
No. 224,
Telegraphic,
September 17,
1906.

Sir A. Nicolson,
No. 628,
September 17;
No. 636,
September 20,
1906.

To Sir A. Nicolson
No. 324,
Telegraphic,
September 19,
1906.

Sir A. Nicolson,
No. 234,
Telegraphic,
September 21;
No. 240,
Telegraphic,
September 23;
No. 642,
Confidential,
September 21;
No. 646,
September 24;
No. 243,
Confidential,
Telegraphic,
September 23;
No. 647,
Confidential,
September 24,
1906.

To Sir A. Nicolson,
No. 369,
Telegraphic,
September 27,
1906.

Sir A. Nicolson,
No. 250,
Telegraphic,
September 29;
No. 662,
September 29,
1906.

To Sir A. Nicolson,
No. 381,
Telegraphic,
October 2;
No. 255,
Telegraphic,
October 3;
No. 669,
October 3, 1906.

Sir A. Nicolson,
No. 240,
Telegraphic,
September 23;
No. 646,
September 24,
1906.

To Sir A. Nicolson,
No. 364,
Telegraphic,
September 26,
1906.

Sir A. Nicolson,
No. 250,
Telegraphic,
September 23;
No. 253,
Telegraphic,
September 30,
1906.

To Sir C. Spring-
Rice, No. 169,
Telegraphic,
October 3, 1906.

To Treasury,
September 28,
1906.

Treasury,
October 1, 1906.

To India Office,
October 3, 1906.

India Office,
October 4, 1906.

To Imperial Bank
of Persia,
September 28,
1906.

To Sir C. Spring-
Rice, No. 169,
Telegraphic,
October 3, 1906.

Sir A. Nicolson,
No. 267,
Telegraphic,
October 12;
No. 686,
October 12, 1906.

Sir C. Spring-Rice,
No. 285,
Telegraphic,
October 11, 1906.

To Sir A. Nicolson,
No. 406,
Telegraphic,
October 15, 1906.

Sir C. Spring-Rice,
No. 286,
Telegraphic,
October 15, 1906.

Sir A. Nicolson,
No. 268,
Telegraphic,
October 16, 1906.

In deference to M. Isvolsky's objections, His Majesty's Government decided no longer to insist on the recognition of the Birjand-Bunder Abbas line as a condition of joining in the second moiety of the joint advance, but they instructed Sir A. Nicolson to reiterate the demand for the settlement of the telegraph question in Seistan, which, they contended, constituted, as it stood, a disturbance of the *status quo* to the disadvantage of England, and was consequently incompatible with a fair start for common action on the part of the two Governments.

The question of whether the mode of payment, control of expenditure, &c., of the proposed advance should be discussed and settled at St. Petersburg or at Tehran was the occasion of a temporary divergence of views between the two Governments, but the Russian Government, who were at first in favour of the former course, yielded to the opinion of His Majesty's Government, who advocated the latter, and the Representatives of the two Powers at Tehran were accordingly furnished with the necessary instructions on the subject.

After consultation between the Foreign Office, the Treasury, and the India Office, it was decided that, of the British share of the first moiety of the advance (100,000*l.*), half should be furnished from Imperial and half from Indian funds.

The advance was to be made through the Imperial Bank of Persia, to whom drafts for 50,000*l.* were to be forwarded by the Treasury and the India Office respectively, and who were requested to place the whole sum of 100,000*l.* without delay to the order of His Majesty's Minister at Tehran.

With regard to the rate of interest and date of repayment of the advance, His Majesty's Government were in favour of fixing the rate at 5 per cent., of which (in the case of the British moiety) 1 per cent. should accrue to the Imperial Bank of Persia as commission. The Russian Government, on the other hand, wished the rate to be 9 per cent., the normal rate in Persia being 12 per cent., as a low rate would prejudice that on the loan which might hereafter be concluded. They were also in favour of fixing an early date of repayment, in order to prevent Persia from unduly protracting the negotiation of a settlement, should one be necessary. They suggested for this purpose the 22nd March, 1907.

His Majesty's Government thought these terms too severe, and were opposed to specifying any date of repayment, and after some negotiation the Russian Government agreed to accept 7 per cent. as the rate of interest, and proposed that the two Governments should notify to the Persian Government that, without fixing at once the date of repayment, they reserved to themselves the right of giving the Persian Government three or four months' notice of the date when the advance should be refunded. His Majesty's Government accepted this proposal as satisfactory, and Sir C. Spring-Rice was authorized to make the advance as soon as his Russian colleague should receive similar instructions.

To Sir A. Nicolson,
No. 409,
Telegraphic,
October 12, 1907.

Sir C. Spring-Rice,
No. 291,
Telegraphic,
October 18, 1906.

Sir A. Nicolson,
No. 269,
Telegraphic,
October 19;
No. 699,
October 19;
No. 275,
Telegraphic,
October 21, 1906.

To Sir A. Nicolson,
No. 415,
Telegraphic,
October 22, 1906.

To Sir C. Spring-
Rice, No. 190,
Telegraphic,
October 22, 1906.

On the 25th October, Sir C. Spring-Rice telegraphed to His Majesty's Government the text of the Loan Convention proposed by the Russian Government between the Persian Government and the banks; it was as follows:—

"In view of the understanding between the Russian and British Governments, in virtue of which it has been decided that an advance of 10,000,000 fr. shall be made to the Persian Government, of which 5,000,000 fr. shall be paid at once, the two Governments each paying a half, and the five latter millions in the same way, according to an agreement to be made later, the following is agreed upon:—

"ARTICLE I.

"The [] Government puts at the disposal of the Persian Government a sum of 2,500,000 fr., which shall be paid by the [] Minister each time that the latter shall receive an application from the Persian Treasury, which shall furnish at the same time the justification for the employment of the sums.

"ARTICLE II.

"The sums above mentioned shall not be affected to paying the arrears due to the [] Bank.

"ARTICLE III.

"The Russian advance is guaranteed by the revenues of the Customs already affected to the guarantee of the two loans concluded in 1900 and 1902 between the Persian Government and the Russian Bank; the English by the revenues of the Administrations of Posts and Telegraphs and, in case of insufficiency, the revenues of the Customs of Fars and the Persian Gulf.

"ARTICLE IV.

"The rate of interest is fixed at 7 per cent.

"ARTICLE V.

"The Russian and British Governments reserve to themselves the right to give the Persian Government four months' notice of the date on which the Persian Government will be called on to repay to the Russian Bank and the Imperial Bank of Persia the sums advanced, together with interest."

His Majesty's Government accepted this text, which was then submitted to the Persian Government. They also agreed to it, but asked that in Article V the words "after a delay of one year" might be inserted after the word "right," by which at least a year's grace would be assured to them.

To Sir C. Spring-
Rice, No. 195,
Telegraphic,
October 26, 1906.

Sir C. Spring-Rice,
No. 314,
Telegraphic,
October 27;
No. 280,
November 9,
1906.

To Sir A. Nicolson,
No. 425,
October 29, 1906.

Sir A. Nicolson,
No. 233,
Telegraphic,
October 31, 1906.

Sir C. Spring-Rice,
No. 322,
Telegraphic,
November 1, 1906.

To Sir A. Nicolson,
No. 433,
Telegraphic,
November 1, 1906.

Sir C. Spring-Rice
No. 333,
Telegraphic,
November 10,
1906.

Sir C. Spring-Rice,
No. 338,
November 13,
1906.

Sir A. Nicolson,
No. 292,
Telegraphic,
November 14,
1906.

Sir C. Spring-Rice,
No. 339,
Telegraphic,
November 14;
No. 341,
Telegraphic,
November 15;
No. 346,
Telegraphic,
November 22,
1906.

Sir A. Nicolson,
No. 505,
Telegraphic,
December 2, 1906.

Sir C. Spring-Rice,
No. 356,
Telegraphic,
December 6, 1906.

To Sir A. Nicolson,
No. 450,
Telegraphic,
December 8, 1906.

Sir C. Spring-Rice,
No. 357,
Telegraphic,
December 7;
No. 358,
Telegraphic,
December 9;
No. 361,
Telegraphic,
December 12,
1906.

Sir A. Nicolson,
No. 307,
Telegraphic,
December 15;
No. 821,
December 16,
1906.

His Majesty's Government expressed their willingness to agree to this addition if the Russian Government also accepted it, but the latter, in the instructions which they sent to their Minister at Tehran on the subject, authorized him to fix one year as the date of repayment, and to amend Article V in the sense that the two Governments should have the right to demand repayment one year after the signature of the contract, on giving three months' notice. His Majesty's Government accepted this arrangement, though it was not in strict accordance with the desires of the Persian Government.

About this time signs of dissatisfaction at the project of an advance began to manifest themselves among the Persian people. Prominent Mollahs demanded its submission to the Assembly, while members of that body itself expressed the strong repugnance which it felt, to pledging national revenues for foreign loans, and papers protesting against the advance as a betrayal of Persian interests, and denouncing the Grand Vizier as a traitor, were circulated in Tehran. The Assembly demanded a week to consider whether it would accept the advance, and summoned the Minister of Finance to explain the financial situation.

In these circumstances the Grand Vizier expressed his willingness to sign the contract without the consent of the Assembly, but although there was no legal objection to that course, His Majesty's Government considered it more prudent to take no immediate action, but to wait till the Persian Government and the Assembly had come to an agreement. The Russian Government were so informed.

The Persian Government meanwhile were able to collect money for the payment of the troops, as well as some 60,000*l.* for a new National Bank.

The Russian Government concurred in the view of His Majesty's Government that the advance should be made publicly, that the responsibility for it should lie with the Persian Government, and that it would be preferable to take no action till an agreement had been reached between that Government and the Assembly; but they saw no objection to furnishing the money on a formal demand from the Persian Prime Minister, even without the consent of the Assembly. They were also in favour of informing the Valiahd of the situation with regard to the loan, through the British and Russian Ministers at Tehran. They stated that they had instructed M. Hartwig in this sense, and requested that similar instructions might be sent to Sir C. Spring-Rice.

After considering the matter in consultation with Sir C. Spring-Rice, His Majesty's Government informed the Russian Government that, in their opinion, it would be better, when the Persian Prime Minister made a formal demand, to consider the question of compliance on its merits, and that it would be inopportune to inform the Valiahd at once, as His Imperial Highness had publicly expressed his respect for the Assembly, and such a communication might have the appearance of pressing an unpopular loan on his acceptance.

The Russian Government accordingly instructed M. Hartwig not to mention the loan to the Valiahd, and to continue to act in harmony with Sir C. Spring-Rice.

Shortly afterwards, as the result of a conversation with M. Hartwig, Sir C. Spring-Rice suggested the advisability of informing the Persian Government officially that the two Governments withdrew their offer of an advance. He pointed out that the popular opposition to this measure was still strong, and that it was possible that, in view of this, the Valiahd and Grand Vizier, induced by severe financial pressure to apply for the advance, might throw the odium of the transaction on the two Powers, by asserting that they had acceded under pressure. He added that the impression already existed that Great Britain and Russia were trying to force the advance on the Persian Government against the will of the people.

He subsequently, however, added that it was desirable to consider carefully the time and manner of making the proposed announcement, and to leave the door open for negotiation, lest the Persian Government should have an excuse for applying for money elsewhere.

On the 1st January, 1907, M. Isvolsky informed Sir A. Nicolson that the Russian Government agreed with the conclusion of the two Ministers at Tehran in favour of the withdrawal of the offer, but as Sir C. Spring-Rice now reported that the Valiahd had accepted the clause of the Constitution relative to the principle of financial control by the Assembly, and that, therefore, it seemed to him unlikely that the Persian Government would ask for the advance without popular sanction, there was, in the opinion of His Majesty's Government, no longer any motive for such a step. The Russian Government, having received a similar report from M. Hartwig, also changed their view, and it was accordingly agreed between the two Governments that the offer should be left as it was.

A further reason for doing so was the fear that the withdrawal of the offer might cause Persia to turn for financial assistance to Germany.

In July the India Office asked that the amount might be retransferred to them from the bank as there seemed no immediate likelihood of the advance being required, though they added that there would be no difficulty should the occasion arise, in providing at a very few days' notice any sum which might be required for a joint Anglo-Russian loan.

The Treasury were thereupon asked whether they wished a similar course to be followed with regard to their share of the advance. It was at the same time explained to them that in suggesting this Sir E. Grey was not abandoning the principle of the loan which was still held at the disposal of the Persian Government.

The Treasury having accepted the suggestion the sums were repaid by the Imperial Bank to the Treasury and India Office.

To Sir C. Spring-Rice, No. 213,
December 17;
No. 367,
Telegraphic,
December 18;
No. 368,
Telegraphic,
December 19,
1906.

To Sir A. Nicolson,
No. 457,
Telegraphic,
December 20,
1906.

Sir A. Nicolson,
No. 213,
Telegraphic,
December 23,
1906.

Sir C. Spring-Rice,
No. 376,
Telegraphic,
December 26,
1906.

Sir C. Spring-Rice,
No. 379,
Telegraphic,
December 28,
1906.

Sir A. Nicolson,
No. 1,
Telegraphic,
January 1, 1907

Sir C. Spring-Rice,
No. 381,
Telegraphic,
December 29,
1906;

No. 1,
Telegraphic,
January 2;
despatch No. 6,
January 3, 1907.

Sir A. Nicolson,
No. 2,
Telegraphic,
January 3, 1907.

To Sir A. Nicolson,
No. 2,
Telegraphic,
January 4, 1907.

India Office,
July 29, 1907.

To Treasury,
August 16, 1907.

Treasury,
August 26, 1907.

Note on the Interpretation of the term "Ports of the Persian Gulf."

Sir C. Spring-Rice, No. 279, Telegraphic, October 12, 1906. The Persian Government demurred to this expression being used to describe the guarantee of the British moiety of the joint advance, and desired the substitution for it of a statement that the security was the same as that of previous loans.

To Sir C. Spring-Rice, No. 181, October 13, 1906. His Majesty's Government saw no objection to the proposed statement, but Sir C. Spring-Rice was instructed, in agreeing thereto, to make it clear to the Persian Government that Great Britain adhered to the interpretation of the term "ports of the Persian Gulf," laid down in Foreign Office despatch No. 121, of the 8th August, 1904, and that the Persian Government must make arrangements accordingly.

Proposed Anglo-Russian Advance to Shah on his Accession to the Throne.

Sir C. Spring-Rice, No. 97, Telegraphic, May 18, 1906. With a view to secure the peaceful accession of the Valiahd to the throne, the Russian Minister for Foreign Affairs suggested the advisability of placing at the disposal of the British and Russian Legations a sum of money for the payment of the troops in case of need, and so securing their loyalty.

To India Office, May 22, 1906. The idea having met with approval, it was suggested to the India Office that, in order to avoid the delays and difficulties which would occur if the money were to be provided partly from British funds, the Government of India might be asked to provide 50,000*l.* as the British share of the loan.

India Office, June 9, 1906. The India Office consented on condition that the Imperial Government agreed to make good half of any loss which might be incurred.

To Mr. Grant Duff, No. 83, Telegraphic, June 14, 1906. As the death of the Shah appeared imminent, Mr. Grant Duff was informed that if on his accession the new Shah required assistance beyond what the Imperial Bank could give, he should concert with his Russian colleague with a view to a joint advance, and that we were prepared to lend up to 50,000*l.* on the same terms and security as our previous loans.

Treasury, November 6, 1906. Treasury sanction to the condition made by the India Office was given on the 6th November, whereupon the India Office were informed that a request for the payment of 50,000*l.* to the Imperial Bank would be made to them on the death of the Shah.

India Office, January 16, 1907. On the occurrence of the latter event the India Office stated that they had paid this sum to the Bank.

Sir C. Spring-Rice, No. 2, January 3, 1907. The Valiahd, on leaving Tabreez for the capital, had been supplied by the Russian Bank with about 33,000*l.*, and it was suspected that he may have received more on his arrival at Tehran.

Sir C. Spring-Rice, No. 21, Telegraphic, February 8; No. 23, Telegraphic, February 9, 1907. This, no doubt, accounts for the fact that nothing more was heard of the matter until the 9th February, when Sir C. Spring-Rice telegraphed that M. Naus had applied for 30,000*l.* to pay the troops, and that he proposed to authorize the Imperial Bank to advance this sum, half of which was to be repaid by the Russian Bank.

Sir A. Nicolson, No. 18, Telegraphic, February 11, 1907. The Russian Government, to whom the matter was referred, agreed.

Sir C. Spring-Rice, No. 21, Telegraphic, February 10, 1907. Meanwhile, however, Sir C. Spring-Rice reported that he had ascertained that the Cossack Brigade had already been paid, that he thought M. Naus, whose position was weak, wanted the money for his own purposes.

To Sir C. Spring-Rice, No. 16, Telegraphic, February 11, 1907. He was accordingly instructed to use his discretion, and shortly afterwards reported that the country was quiet, and that he and the Russian Minister agreed that the moment was not favourable for making the advance.

Sir C. Spring-Rice, No. 32, Telegraphic, February 14, 1907. Circumstances necessitating the advance not having arisen, the sum of 50,000*l.* was in September retransferred by the Imperial Bank to the India Office.

To Imperial Bank, September 3, 1907. Imperial Bank, September 5, 1907.

Grant of Six Months' Delay in Payment of Interest on British Loans and Suspension of Sinking Fund Payments for Three Years.

A request was received from the Persian Government for a delay of six months in the payment of the interest on the British loans of 1903-4, due on the 5th April.

After consultation with the India Office Sir C. Spring-Rice was instructed to agree on condition of the elimination from the Charter of the National Bank of the clause granting priority in the importation of silver.

On the 24th June, Sir C. Spring-Rice telegraphed that the Ministers had been requested by the Assembly to obtain the assent of the British and Russian Governments to the suspension for three years of the sinking fund payments.

It was suggested to the India Office that should such a request be received from the Persian Government, it should be acceded to on the condition that they agreed not to contract any loan with a foreign bank or Government without the option first being given to England and Russia.

The India Office concurred in the proposal.

On the 24th July, Sir C. Spring-Rice reported that he had received a formal request from the Persian Government for the suspension of the sinking fund.

After further correspondence with the India Office it was decided to make our consent dependent upon the following condition in addition to that already mentioned, viz., that the Persian Government renew their engagement not to grant to the Russian Bank or any other parties the monopoly of coining silver in the State mint, and to inform them that we reserved our right to demand the payment of the arrears of the sinking fund at any time unless in the meantime some serious effort were made to put the finances of the country in order.

Instructions in this sense were sent to Sir C. Spring-Rice, and the Treasury were informed, as also of the six months' delay already granted in the payment of interest.

At the end of September Sir C. Spring-Rice reported that there was no prospect of any interest being paid on the British loan, that the Bushire customs had been appropriated to other purposes, and that 4,000*l.* of the interest just paid on the Russian loan had been furnished from the Bushire customs.

It appeared from a further telegram that the Persian Government had paid the interest on practically all its debts except the British loan.

Mr. Marling was consequently instructed to inquire officially why the interest had remained unpaid, and why the Bushire revenues had been diverted, and at the same time to remind them of the conditions under which we had consented to a suspension of the sinking fund, which still remained unanswered.

On the 10th December he reported that both questions were before the Financial Committee of the Assembly, which, he believed, objected rather to the form than the substance of the stipulations respecting the sinking fund, that he would continue to press for a reply, and that he thought that the Persian Government, though in great straits for money, could probably pay the interest if strongly pressed. He subsequently reported that the Minister for Foreign Affairs promised to reply respecting the sinking fund in a few days, and that an effort was being made to find the money for the payment of the interest.

[1549]

Sir C. Spring-Rice No. 75, Telegraphic, April 4, 1907.

To India Office, April 6, 1907.

India Office, April 13, 1906.

To Sir C. Spring-Rice, No. 47, Telegraphic, April 16, 1907.

Sir C. Spring-Rice, No. 156, Telegraphic, June 24, 1907.

To India Office, June 26, 1907.

India Office, July 4, 1907.

Sir C. Spring-Rice, No. 196, Telegraphic, July 24, 1907.

To India Office, July 31 and August 20, 1907.

India Office, August 24, 1907.

To Sir C. Spring-Rice, No. 102, Telegraphic, August 28, 1907.

To Treasury, July 31, 1907.

Sir C. Spring-Rice, No. 279, Telegraphic, September 27, 1907.

Sir C. Spring-Rice, No. 281, Telegraphic, October 1, 1907.

To Mr. Marling, No. 137, Telegraphic, October 11, 1907.

Mr. Marling, No. 369, Telegraphic, December 10, 1907.

Mr. Marling, No. 373, Telegraphic, December 12, 1907.

Owing doubtless to the political crisis and Ministerial changes which then occurred, matters appear to have remained where they were.

It was, however, held that, as the six months' grace had elapsed and the interest on the Russian loan had been paid, we should now insist on the Persian Government meeting their obligations.

Mr. Marling was accordingly instructed to insist, as soon as the political situation permitted, on the immediate payment of the interest; and, further, if he thought it expedient, to state that we must insist on the immediate payment of the sinking fund also unless our stipulations were accepted without further delay.

(Signed) WILLIAM ERSKINE.

Foreign Office,
December 31, 1907.

APPENDIX (A).

Collection of Papers showing successive stages of Negotiations for Anglo-Russian Agreement respecting Persia.

No. 1.

Sir Edward Grey to Sir A. Nicolson.

(No. 521. Confidential.)
Sir,

Foreign Office, November 17, 1906.

I HAVE received your Excellency's despatch No. 735 of the 4th instant, reporting a conversation with the Russian Minister for Foreign Affairs on the subject of the understanding respecting Persia.

I approve the language which you held to M. Isvolsky on this occasion, and I inclose the sketch of a draft Agreement which you are authorized to communicate to his Excellency.

I am, &c.
(Signed) E. GREY.

Inclosure in No. 1.

Draft Agreement.

THE Governments of Great Britain and Russia, being mutually pledged to respect the integrity and independence of Persia, and animated by a sincere desire for the maintenance of good order and pacific development throughout the Persian Empire, as well as for the establishment of equal opportunities for the commerce and industry of all nations, have resolved that a Convention be concluded between them in the following terms:—

The Governments of Great Britain and Russia mutually recognize that each has, for geographical and economic reasons, special interest in peace and order being maintained within certain provinces of Persia contiguous with, or in proximity to, the Russian frontier on the one hand, and the frontiers of Afghanistan and Beluchistan on the other; and each of the two Governments, being impressed with the detrimental effects of local friction on their relations with Persia and with one another, is anxious to avoid all ground for interference with the special interests of each in the Persian provinces to which reference has been made above.

It is therefore hereby agreed as follows:—

1. Great Britain engages not to seek or maintain for her own account, or on behalf of British subjects, any concessions of a political or commercial nature within a line

and not to obstruct, directly or indirectly, applications for such concessions in that region supported by the Russian Government.

2. Russia, on her part, engages not to seek or maintain for her own account, or on behalf of Russian subjects, any concessions of a political or commercial nature within a line passing from the Afghan frontier through Gazik, Birjand, Kerman and Bunder Abbas and the frontiers of Afghanistan and Beluchistan, and not to obstruct, directly or indirectly, applications for such concessions in that region supported by the British Government.

No. 2.

Sir A. Nicolson to Sir Edward Grey.—(Received February 26.)

(No. 101.)

Sir,

St. Petersburg, February 20, 1907.

M. ISVOLSKY handed me to-day a draft Convention in regard to the future mutual relations between Great Britain and Russia, which had been drawn up by the Russian Govern-

ment, of which I have the honour to transmit a copy. I did not peruse it in his presence, and accepted it without comment. I regret that I made a confusion in telegraphing yesterday between Kuhsan and Kuchan, but the misunderstanding was due to my not catching accurately the pronunciation of the names of the two places.

The preamble is identical with that of the British draft Convention, except that the word "collision" is used in the last sentence instead of word "interference."

As to Article II, I have, since dispatching my telegraphic summary of the Russian draft Convention, examined the draft which I communicated to M. Isvolsky, and I find that the definition of the British line is practically identical in both documents. The observation which I made in my telegram, in regard to the words "par les frontières de l'Afghanistan et du Beloudjistan," was therefore made without due consideration.

The final paragraph will, I presume, require some amplification and amendment. I do not know whether you would consider it necessary to specify in the Convention that the revenues of the Caspian Sea fisheries and the posts and telegraphs form securities for the British loans, but in any case it would, I submit, be right to state clearly that the customs revenues of the Fars and of the Persian Gulf are secured for the service of the British advances. As the paragraph stands there is no mention of British loans at all. I do not know whether in the Convention you would consider it desirable to mention that Mohammerah is included in the Persian Gulf ports, or to leave this debatable point alone. We could not be considered as having abandoned our views by preserving the phrase "Fars and the Persian Gulf."

There is no mention, as from my conversation with M. Isvolsky on the 18th instant I had been led to expect, of the maintenance of the existing Concessions in our respective zones. The omission to mention them, and as the Articles deal with the future, leads me to think that the Russian Government imply that such Concessions do continue to exist. M. Isvolsky apparently wishes to arrange the question of the two telegraph lines separately from the Convention. You may consider that there is no objection to such procedure. If, on the other hand, we desired that all Russian Bank agencies in Seistan, for instance, be withdrawn, the Russian Government might request that we should abandon Concessions in the Russian zone, and this might raise the question of the Indo-European and Indian Government telegraph lines, Imperial Bank, &c. It might be wiser, perhaps, to leave the question of existing Concessions alone, and restrict ourselves to finding outside the Convention a solution of the Meshed-Tehran and Meshed-Nasratabad lines. I submit this view with all diffidence. When both Governments have come to an agreement as to the Convention, I do not think there would be great difficulty in arranging as to the above-mentioned telegraph lines.

I should be grateful if you would kindly supply me with the final paragraph amended in the sense desired by His Majesty's Government, so that I may communicate it to M. Isvolsky.

I have, &c.
(Signed) A. NICOLSON.

Inclosure in No. 2.

Draft Convention communicated by M. Isvolsky to Sir A. Nicolson.

LES Gouvernements de la Grande-Bretagne et de la Russie, s'étant mutuellement engagés à respecter l'intégrité et l'indépendance de la Perse, et animés du sincère désir de maintenir l'ordre et le développement pacifique dans toute l'étendue de l'Empire Persan, aussi bien que d'établir des avantages égaux pour le commerce et l'industrie de toutes les nations, ont résolu qu'une Convention sera conclue entre eux aux termes suivants:—

Les Gouvernements de la Grande-Bretagne et de la Russie reconnaissent mutuellement que chacun d'eux a, pour des raisons d'ordre géographique et économique, un intérêt spécial à maintenir la paix et l'ordre dans certaines provinces de la Perse contiguës ou voisines à la frontière Russe, d'une part, et aux frontières de l'Afghanistan et du Beloudjistan, de l'autre; et chacun des deux Gouvernements, constatant l'effet nuisible résultant des cas de friction sur place dans leurs relations avec la Perse et entre eux-mêmes, est désireux d'éviter tout motif de collision avec les intérêts spéciaux de chacun d'eux dans les provinces Persanes dont il a été fait mention plus haut.

En conséquence il a été décidé par la présente comme suit:—

ARTICLE I.

La Grande-Bretagne s'engage à ne pas rechercher pour elle-même et à ne pas appuyer en faveur de sujets Britanniques, aussi bien qu'en faveur de sujets de Puissances tierces, de concessions quelconques de nature politique ou commerciale—telles que les concessions de chemin de fer, de banques, de télégraphes, de routes, de transport, d'assurance, &c.—au delà d'une ligne partant de Kasri-Chirin, traversant Iezd et Khakh et aboutissant à la frontière Afghane près du bourg de Kuhsan, et à ne pas s'opposer, directement ou indirectement, à des demandes de pareilles concessions dans cette région, soutenues par le Gouvernement Russe.

ARTICLE II.

La Russie, de son côté, s'engage à ne pas rechercher, pour elle-même, et à ne pas appuyer en faveur de sujets Russes, aussi bien qu'en faveur de sujets de Puissances tierces, de concessions quelconques de nature politique ou commerciale—telles que les concessions de chemin de fer, de banques, de télégraphes, de routes, de transport, d'assurances, &c.—au delà d'une ligne allant de

la frontière Afghane par Gazik, Birjand, Kerman, et Bender-Abbas, et par les frontières de l'Afghanistan et du Béloudjistan, et à ne pas s'opposer, directement ou indirectement, à des demandes de pareilles concessions dans cette région, soutenues par le Gouvernement Britannique.

Il est bien entendu que les revenus de toutes les douanes Persanes, à l'exception de celles du Farsistan et du Golfe Persique, garantissant l'amortissement et les intérêts des emprunts conclus par le Gouvernement du Schah en Russie, seront affectés au même but que par le passé.

No. 3.

Sir A. Nicolson to Sir Edward Grey.—(Received March 18.)

(No. 125.)

Sir,

St. Petersburg, March 10, 1907.

I CALLED on M. Isvolsky this morning, and said that I had brought with me a paper embodying certain amendments which His Majesty's Government desired to see introduced into the draft Convention in regard to Persia, which the Russian Government had lately communicated to me. I have the honour to inclose the copy of an *aide-mémoire* which I left with his Excellency after our conversation had concluded.

I informed M. Isvolsky that His Majesty's Government accepted the preamble of the draft Convention. In regard to the tracing of the Russian line as laid down in the draft Convention, I wished to amplify somewhat the observations which I had made to him recently on that point. He would see that in the preamble of the Russian draft Convention it was stated that the districts in which Russia and Great Britain had special interests were those respectively bordering on or contiguous with the Russian frontier and the frontier of Afghanistan and Beluchistan. His Majesty's Government held the same views, and had naturally considered that the Russian zone would not include any portion of the Afghan frontier; but if the Russian line were to terminate at a point on the Afghan frontier near to Kushan, a portion of that frontier would come within the Russian zone. As I had explained to him at my last interview on the 7th instant, such an arrangement would necessarily lead to complications. We were bound by Treaty both with Afghanistan and with Persia to undertake the settlement of all frontier and other questions arising between those two countries, and it was needless for me to dwell upon the difficulties which would arise if a third Power were to have special interests on the Perso-Afghan frontier. Our Convention had in view the removal of all possible causes of friction; but if the Russian line were left as was suggested in the Russian draft Convention there would be a continual danger of difficulties arising. I said that I would repeat what I had said on the 7th instant, and that was that the Russian line should run from Kakhk to Zulfican, and thus obviate any of those serious risks to which I had alluded. I must tell him that my Government attached extreme importance to this matter, and, as I had said on the 7th instant, it was of small importance to Russia, but of serious import to us, and that very possibly the Russian Government had overlooked the considerations which I urged upon him.

M. Isvolsky said that he recollected my observations on the 7th instant, and could repeat the remark that he had not himself drawn the line, and that he would examine carefully, in the light of my remarks, the modifications which I proposed. I said that I must impress on him that the rectification which I had requested was an essential one.

I think that M. Isvolsky clearly saw the force of my observations, and, though he would not commit himself, I think that he will urge upon his advisers to accept the rectification which is desired.

I told M. Isvolsky that there was another question connected with the Russian zone on which I wished to speak to him. The Russian zone included Tehran, the capital of Persia, and I must tell him frankly that if my Government were to agree that the capital of the kingdom were to be within the districts in which Russia was recognized as having special interests, a great increase of influence would accrue to the Russian Government. Indeed, my Government had originally intended to propose that Tehran should form a neutral enclave in the Russian zone; but as they were sincerely desirous of arriving at a friendly settlement, they were prepared to make a most important concession and abandon their intention, but it must be on the understanding that Russia engaged not to oppose, without previous arrangement with Great Britain, any grant of Concessions in the neutral zones of Persia to British subjects or to those of third Powers.

M. Isvolsky inquired whether the understanding which I suggested was to be unilateral on the part of Russia, or whether Great Britain would be disposed to give a similar engagement. I told him that I had no instructions on that point, but I would mention his observation to you. His Excellency then said that he did not quite grasp the reason for demanding the engagement from Russia, nor did he see if Tehran were within the Russian zone the political situation would be greatly altered from that which existed. Our respective zones were, he observed, demarcated with a view of preventing either party from interfering within the zones of the other—a species of self-denying ordinance; but why should anything be specially said as to other portions of Persia outside the zones? The neutral zones would, he understood, be left open to all parties, and in his view both Russia and Great Britain should preserve entire liberty of action in respect to them. I told M. Isvolsky that the concession which we were prepared to make in including Tehran within the Russian zone practically amounted to a recognition that Russia had a special interest, and consequently a special position, in the capital, and this concession was a very great one. If Russia had a special position she would eventually have special influence, perhaps

I might say a predominant influence, which was not the case at present. Such an influence might, and we must look into the future, hereafter be employed—I did not say that it would be, but it might be employed—in opposing British Concessions in the neutral zones. Russia would be placed in an admirable position for exercising such opposition, and we were bound to take securities, in view of any future interests we might wish to acquire in the neutral zones, that her influence and her special position should not be utilized to the detriment of those interests. Tehran governed Persia, and this fact we must bear in mind for the future.

M. Isvolsky seemed to understand this point of view, as he remarked that he still did not comprehend why Russia should be asked to debar herself from opposing any Concessions to third Powers, which, if granted, might prove injurious to Russian commercial interests. His Excellency took up a map and pointed out to me how it might be possible for Germany, for instance, to endeavour to secure branch lines running from the Bagdad Railway into the neutral zones. Was Russia to be prevented, if she thought such Concessions detrimental to her interests, from raising objections to them? I observed that we did not ask that Russia should be excluded from absolutely raising objections or opposition. We had carefully inserted the clause "without previous arrangement with Great Britain."

His Excellency said that he quite understood that, but suppose that Russia wished to oppose the grant of a Concession to a third Power, while Great Britain was in favour of such a grant; a conflict of opinion would immediately arise, not only between Russia and Great Britain, but also with the third Power, which would cause a troublesome and perplexing situation. As regards third Powers, he was not in favour of their being specially mentioned. I said that I was, then, to understand that he desired a reciprocal arrangement between Great Britain and Russia not to oppose the grant in the neutral zones of Concessions either to Great Britain or Russia, as the case might be, and that we should omit all reference to third Powers. M. Isvolsky said that at first sight this was his personal view, but he begged me not to take it as a settled opinion. He must ask for a little time to study the question before pronouncing on it. I said that of course I had no wish to bind him in any way, and I then proceeded to Article II.

I said that we should like a clause inserted that existing Concessions in the respective zones of Great Britain and Russia should be maintained. This, I observed, did not affect the transfer to Russian and British control respectively of the Tehran-Meshed and Meshed-Nasratabad telegraph lines. This transfer should be effected by an exchange of notes, which must be signed simultaneously with the signature of the Convention. M. Isvolsky made no remarks on this proposal, and I then let him read the two concluding paragraphs of the *aide-mémoire*, to which I said presumably no objection would be raised.

His Excellency thanked me for the communication, and said that he would study it carefully, and that he would examine it with the sincerest desire of arriving at an agreement. He hoped to give me a reply to the points which I had raised at no distant date.

Before leaving M. Isvolsky, I said that I hoped that he would shortly let me have the views of the Russian Government in regard to Afghanistan, as it would be necessary, after we had received them, that we should consult with the Ameer, and this would take a little time. His Excellency said that he was occupying himself with this question, which was one of importance, and he promised to let me have a reply without undue delay, but it was not a matter which could be settled in a few days. I remarked that I hoped that we should be able to arrange matters before I took my summer holiday about the end of June. M. Isvolsky said he had every hope that there would be no difficulty in our reaching a conclusion before that date.

I telegraphed a short summary of my conversation and of my impressions in my telegram No. 42 of to-day's date.

I have, &c.
(Signed) A. NICOLSON

Inclosure in No. 3.

Aide-mémoire.

Draft Convention in regard to Persia (communicated by the Imperial Russian Government).

Preamble.

HIS Britannic Majesty's Government accept the Preamble.

ARTICLE I.

The draft Convention proposes that the Russian line should run from "Kasri-Chirin, traversant Isfahan, Iezd, et Khakh, et aboutissant à la frontière Afghane près du bourg de Kuhsan." His Majesty's Embassy begs to point out that in the Preamble it is stated that "les Gouvernements de Grande-Bretagne et de Russie reconnaissent mutuellement que chacun d'eux . . . a un intérêt spécial de maintenir la paix et l'ordre dans certaines provinces de la Perse contiguës ou voisines à la frontière Russe d'une part, et aux frontières de l'Afghanistan et de Béloudjistan de l'autre . . ." It was therefore not understood that Russia desired that a

portion of her zone should be contiguous with Afghan territory, as would be the case if her line terminated at the point mentioned in the draft Convention. Moreover, Great Britain is responsible for the external relations of Afghanistan, and is obliged, not only by Treaty with the Ameer, but also by Article VI of the Persian Treaty of 1857, to undertake the settlement of all frontier and other questions arising between Persia and Afghanistan. It is therefore clear that the introduction of another Power having special interests on the Perso-Afghan frontier would tend to complicate matters and defeat the only object of the Convention.

His Majesty's Embassy is therefore instructed to request that the Russian line should terminate at Zulfiar, on the northernmost extremity of Afghanistan, and not at a point on the Afghan frontier near Kuhsan. His Majesty's Embassy desires to say that His Majesty's Government attach great importance to this matter.

His Majesty's Embassy wishes to inform the Imperial Russian Government that His Majesty's Government originally intended to request that the town of Tehran, as the capital and seat of the Legations, should form a neutral enclave in the Russian zone. His Majesty's Government are, however, prepared to make a most important concession by waiving this point; but on the understanding that Russia undertakes not to oppose, without previous arrangement with Great Britain, any grant of Concessions in the neutral zones of Persia to British subjects or to those of third Powers. His Majesty's Embassy does not doubt that the Imperial Russian Government will have no difficulty in giving the undertaking above mentioned.

ARTICLE II.

His Majesty's Embassy would wish that a clause be inserted stating that all existing Concessions are maintained. At the same time, His Majesty's Embassy requests that the control of the telegraph line from Meshed to Nasratabad be transferred to Great Britain, and is ready to agree that the control over the Tehran-Meshed telegraph line be transferred to Russia. The transfer shall be effected by an exchange of notes, to be signed simultaneously with the Convention.

His Majesty's Embassy desires that the last paragraph of Article II be amplified; and suggests the following addition should be made: "It is equally understood that the revenues of the Persian customs of Farsistan and the Persian Gulf, as well as those of the Caspian fisheries and of posts and telegraphs, shall be devoted, as in the past, to the service of loans concluded by the Government of the Shah with the Imperial Bank of Persia."

His Majesty's Embassy desires to mention one more point. If there be any question of non-payment of coupons and of the possibility of controllers being established over customs or other pledged revenues in the respective zones, Great Britain would be prepared to undertake the collection and remission to Russia of the due proportion of customs revenues which may be affected to Russian loans in the British zone, if the Imperial Government would agree to a similar arrangement as regards the revenues in the Russian zone which may be pledged to British loans.

St. Petersburg, February 25 (March 10), 1907.

No. 4.

Sir A. Nicolson to Sir Edward Grey.—(Received April 2.)

(No. 57.)
(Telegraphic) P.

St. Petersburg, April 2, 1907.

MY despatch No. 125 of the 10th March

I have received a *pro-memoria* in reply to Memorandum communicated by me on the 10th March.

Russian Government state that, in consideration of the great importance which His Majesty's Government attach to the point that the proposed line should terminate at Zulfiar and not near Kuhsan and further, being desirous of affording undoubted proof to the Cabinet of St. James' of the firm intention of the Russian Government to arrive at a solid understanding with His Majesty's Government, they might declare themselves ready to meet our wishes. Before, however, giving a definite reply on that subject, as well as on other questions to which the Memorandum of the 10th March alludes, the Imperial Government would wish to have the following points made clear:—

1. With regard to collection by Great Britain of revenues pledged to Russian loans in British zone in case of default by Persia, the *pro-memoria* points out that, in virtue of the loan contract with the Persian Government, Russia has, in case of non-payment of coupons, right to control Persian customs. It is therefore indispensable first to decide whether this right can be ceded to a third party, or whether such a transaction would justify a protest on the part of Persia. The Russian Government would also require full information as to the rights acquired by the British Government in the event of interest on British loans not being paid, so that the Imperial Government might know exactly what obligations acceptance of the proposed transaction would entail.

2. Russian Government propose that allusion to third Powers in regard to Concessions in neutral zones should be omitted. This I verbally consented to (see my despatch No. 132 of

the 13th March). They presume there would be no objection to a reciprocal undertaking on our part.

Pro-memoria contains no mention as to our proposed addition to last paragraph of Article II of Russian draft Convention, or as to maintenance of existing Concessions or transfer of telegraph lines, but I do not anticipate that these points will occasion any difficulties.

No. 5.

Sir A. Nicolson to Sir Edward Grey.—(Received April 29.)

(No. 220.)
Sir,

St. Petersburg, April 22, 1907.

WITH reference to your despatches Nos. 154 and 155 of the 17th instant, I have the honour to transmit herewith copy of an *aide-memoire* which I communicated to M. Isvolsky this afternoon in reply to the *pro-memoria* of the Russian Government of the 2nd instant, respecting certain points in the draft Convention concerning Persia.

I explained to his Excellency that I had drawn up Articles III, IV, and V for the sake of convenience, and that it seemed to me that we were now practically very near the termination of the Convention respecting Persia. His Excellency agreed with me, and said that he must study the paper which I had left with him before giving a reply; and there was still the question of the two telegraph lines. I observed that I had submitted a draft Declaration on that subject to him, and was awaiting his reply. He said that there were one or two points connected with that question which he would probably have to mention to me, but that he did not desire to enter upon it at this moment.

I said that he would observe in the draft Articles which I now communicated no mention was made of "zones" or "spheres," as it was desirable to avoid employing those terms which might give rise to misapprehension.

His Excellency appeared to agree with this view.

I have, &c.
(Signed) A. NICOLSON.

Inclosure in No. 5.

"*Aide-memoire*" communicated April 9 (22), 1907.

HIS Majesty's Embassy had the honour to receive the *pro-memoria* of the Imperial Russian Government, dated the 20th March (2nd April), 1907, in reply to the *aide-memoire*, which was communicated by His Majesty's Embassy on the 25th February (10th March). The Imperial Government points out in its above-mentioned *pro-memoria* that the right of control over the Persian Customs, in case of non-payment of the coupons, has been ceded to the Russian Government, by virtue of a contract concluded with the Persian Government, and that therefore it is necessary to decide whether that right could be ceded to a third Power, and whether the Persian Government would be justified in protesting against such a transaction. His Majesty's Embassy would beg leave to point out that the party to whom the collection of the pledged revenues was intrusted would merely be acting as the Agent of the other, and it would therefore not appear that the Persian Government would have any right to object to such a proceeding.

The Imperial Government also desired to be informed as to what rights His Majesty's Government possess of taking action in the event of the non-payment of the interest on British loans; and, consequently, what would be the responsibility incurred by the Russian Government should this contingency arise. His Majesty's Embassy beg leave to observe that the loan contracts concluded by the Imperial Bank of Persia with the Persian Government do not expressly provide for such a case, but the right of control in the event of non-payment may be held to follow inherently from the hypothecation of the revenues.

The *pro-memoria* of the 20th March (2nd April) further remarked that it would be desirable to omit all mention of "third parties" in regard to Concessions in the neutral zones. His Majesty's Embassy is authorized to agree with this omission, and also to reciprocally engage not to oppose, without a previous understanding with the Russian Government, the grant of Concessions to Russian subjects in those neutral zones.

His Majesty's Embassy would therefore suggest the following Articles connected with the above subjects, and which would be numbered Articles III, IV, and V of the proposed draft Convention. Articles I and II refer to the respective spheres, and on these an accord has already been reached, provided that the Russian Government consent to the rectification of the line of the Russian sphere of influence, as requested by His Majesty's Government, viz., that it should terminate at Zulfiar, and not at a point near Kuhsan.

"ARTICLE III.

"Russia, on her part, further engages not to oppose, without previous arrangement with Great Britain, any grant of Concessions to British subjects in the regions of Persia, outside of the lines mentioned in Articles I and II. Great Britain undertakes a similar engagement as regards the grant of Concessions to Russian subjects in the same regions of Persia.

All existing Concessions within the lines mentioned in Articles I and II are maintained.

"ARTICLE IV.

"It is understood that the revenues of all the Persian customs, with the exception of those of Farsistan and of the Persian Gulf, guaranteeing the repayment and the interests of the loans concluded in Russia by the Government of the Shah, shall be devoted to the same purpose as in the past.

"It is equally understood that the revenues of the Persian customs of Farsistan and of the Persian Gulf, as well as those of the Caspian Fisheries and of Posts and Telegraphs, shall be devoted as in the past to the services of loans concluded by the Government of the Shah with the Imperial Bank of Persia.

"ARTICLE V.

"In case of the non-payment of the interest on loans contracted by the Government of the Shah in Russia, Great Britain would be prepared to undertake the collection and the remission to the Russian Government of the due proportion of the customs receipts or other revenues pledged to the service of such loans in the regions within the lines mentioned in Article II.

"In similar circumstances, Russia would be prepared to undertake the collection and remission to His Britannic Majesty's Government of the due proportion of the customs receipts or other revenues pledged to the service of the loans contracted by the Government of the Shah with the Imperial Bank of Persia in the regions within the lines mentioned in Article I."

No. 6.

Sir A. Nicolson to Sir Edward Grey.—(Received May 21.)

(No. 261. Confidential.)

Sir,

St. Petersburg, May 15, 1907.

M. ISVOLSKY told me to-day that he had been, in conjunction with the Minister of Finance, examining the proposals which I had communicated to him in regard to the collection and remission of the pledged revenues in the respective British and Russian zones in the event of the Persian Government defaulting in the payment of the coupons of the British and Russian loans. He considered that it was not likely that there would be any default; but, assuming that such would occur, it seemed to him that, in view of the state of the feeling in Persia, it would be undesirable to state in the Convention precisely the measures which the two Governments would take in such an eventuality. There was further the difficulty in regard to the British loans that in the loan contract there was no clause which specified exactly the measures which should be adopted in the event of default as was the case in the Russian loan contracts. Suppose, for instance, there was a default, and that the Russian authorities stepped into the post and telegraph offices and claimed to receive the revenues on behalf of the British loans, basing their intervention not on any written engagement in the loan contract, but on an implied right. Such action might give rise to serious difficulties. He was therefore inclined to state in the Convention, in lieu of what we had proposed, that in the eventualities above mentioned the two Governments would exchange views as to the measures to be taken, and thereby the risk of prematurely, and possibly unnecessarily, arousing at the outset popular feeling would be avoided. He would communicate to me in a few days the amendments which he had in view.

I told his Excellency that in my opinion his observations had considerable justification, but this was merely my personal view, and that I would await his communication and then ascertain the views of my Government.

I have, &c.
(Signed) A. NICOLSON.

No. 7.

Sir A. Nicolson to Sir Edward Grey.—(Received May 27.)

(No. 277.)

Sir,

St. Petersburg, May 23, 1907.

I HAVE the honour to transmit herewith copy of a private letter and its inclosure, which I have received from M. Isvolsky, regarding the collection and the remission of the pledged revenues in the respective British and Russian zones in the event of the Persian Government defaulting in the regular payment of the coupons of the British and Russian loans.

In my despatch No. 261 of the 15th instant I explained the doubts which M. Isvolsky felt as to accepting the draft Article V of the Persian Convention which I had communicated to him. The Memorandum which I now beg to transmit would, if His Majesty's Government agreed to its terms, be substituted for the above-mentioned Article.

I have, &c.
(Signed) A. NICOLSON.

Inclosure 1 in No. 7.

M. Isvolsky to Sir A. Nicolson.

*Ministère Impérial des Affaires Étrangères,
le 10 (23) Mai, 1907.*

Mon cher Ambassadeur,

EN me référant à notre conversation sur votre aide-mémoire du 11 (24) Avril dernier, je m'empresse de vous transmettre notre contre-projet de l'Article ayant trait au mode de perception des sommes dues à l'une des Parties Contractantes sur des revenus situés dans la sphère de l'autre. Vous ayant déjà fait part verbalement des considérations sur lesquelles est basé notre contre-projet, je m'abstiens, pour éviter tout retard, de les développer dans un Mémoire spécial, qui pourrait ne pas être prêt aujourd'hui même.

Votre sincèrement dévoué,
(Signé) ISVOLSKY.

Inclosure 2 in No. 7.

Counter-Draft.

EN cas d'irrégularités dans l'amortissement ou le paiement des intérêts des emprunts Persans conclus jusqu'à la date de la signature du présent Arrangement en Russie ou en Angleterre, et si la nécessité se présente pour une des Parties Contractantes d'instituer un contrôle sur les sources de revenus garantissant le service régulier des emprunts conclus chez elle par la Perse et situés dans la sphère d'influence de l'autre partie, les Gouvernements Russe et Anglais s'engagent à entrer préalablement dans un échange d'idées amical en vue de déterminer d'un commun accord les moyens d'effectuer les mesures de contrôle en question et d'éviter toute ingérence dans les sphères respectives qui ne serait pas en conformité des principes gouvernant la présente Convention.

No. 8.

Sir Edward Grey to Sir A. Nicolson.

(No. 225.)

Sir,

Foreign Office, June 6, 1907.

I HAVE received your Excellency's despatch No. 277 of the 23rd ultimo, forwarding copy of a private letter from the Russian Minister for Foreign Affairs, in which was inclosed an Article which his Government desire to substitute for Article V of the draft Anglo-Russian Convention respecting Persia proposed by His Majesty's Government.

I now transmit to your Excellency herewith a revised draft Convention, embodying certain modifications which, after further consideration, His Majesty's Government would desire to see introduced into that Agreement.

Your Excellency will observe that most of the modifications made affect the preamble of the instrument.

For the expression "to maintain order and peaceful development throughout the whole extent of the Persian Empire" has been substituted the phrase "for the preservation, &c." This alteration has been made in consequence of the opinion expressed by His Majesty's Minister at Tehran in his despatch No. 69 of the 11th April, that the original wording might be held to imply an intention on the part of the two Governments to arrogate to themselves the right of maintaining order in the dominions of the Shah, and that such an expression cannot fail to produce an unfortunate effect on the minds of the Persian Government and people.

Although, as your Excellency is well aware, the two Governments have, in fact, no such intention, it seems nevertheless desirable to remove the possibility of any such misunderstanding, and it is hoped that the phrase which it is now proposed to employ will effect this object.

In the second paragraph of the preamble it has been thought well to insert a reference to the special interest of Great Britain in the maintenance of the *status quo* in the Persian Gulf. This clause has been added in view of the strong and explicit declarations of my predecessor on this subject, which is evidently one of paramount importance to Great Britain. It is felt that the omission from the present Agreement of any mention of this point would make a bad impression on public opinion in this country, and seriously affect the popularity of the Agreement when concluded. His Majesty's Government therefore press for the insertion of these words in the preamble, in order to secure that the Agreement, when announced in this country, should be accepted from the first by both parties with goodwill.

In Article I the words "at a point on the Persian frontier adjoining the intersection of the Russian and Afghan frontiers" have been substituted for the words "on the Afghan frontier near Zulfikar." This change has been introduced at the suggestion of the India Office, who have pointed out that Zulfikar is well within the territory of Afghanistan. The substituted wording has the further advantage of emphasizing the fact that the end of the line defining the Russian sphere lies in Persia, and not in Afghanistan.

Articles II, III, and IV of the Russian draft are retained unaltered.

[1549]

The draft Article put forward by the Russian Government in place of the British Article V is accepted, with the addition, at the end, of the following clause:—

"And to avoid all interference in the respective spheres which would not be in conformity with the principles governing the present Convention."

These words have been inserted in order specifically to exclude all possibility of the exercise by Russia of her right of control over such of the sources of revenue affected to the service of the Russian loans in Persia as lie within the British sphere in the event of irregularity occurring in the service of those loans, as foreseen in the Article.

The Article has also been subjected to a few verbal alterations, which, it is thought, will render its sense more explicit.

In communicating to M. Isvolsky these proposals, which it is hoped will prove acceptable to the Russian Government, your Excellency will exercise your discretion as to how far you should discuss with him the considerations which have given rise to them.

I am, &c.
(Signed) E. GREY.

Inclosure in No. 8.

Draft Convention.

THE Governments of Great Britain and Russia, having mutually engaged to respect the integrity and independence of Persia, and being animated by a sincere desire for the preservation of order throughout the Persian Empire and for the peaceful development of that country as well as for the permanent establishment of equal advantages for the trade and industry of all nations;

Considering that each of them has, for geographical and economic reasons, a special interest in the maintenance of peace and order in certain provinces of Persia adjoining, or in the neighbourhood of, the Russian frontier on the one hand, and the frontiers of Afghanistan and Baluchistan on the other hand, and that Great Britain has a special interest in the maintenance of the *status quo* in the Persian Gulf.

Recognizing the injurious effect resulting from the occurrence of local friction in their relations with Persia and with each other; and being desirous of avoiding all cause of conflict between their respective interests in the above-mentioned regions;

Have agreed upon the following Convention:—

ARTICLE I.

Great Britain engages not to seek for herself, and not to support in favour of British subjects or in favour of the subjects of third Powers, any concessions of a political or commercial nature—such as concessions for railways, banks, telegraphs, roads, transport, insurance, &c.—beyond a line starting from Kasri-Shirin, crossing Isfahan, Yazd, and Kakhk and ending at a point on the Persian frontier at the intersection of the Russian and Afghan frontiers, and not to oppose, directly or indirectly, demands for similar concessions in this region which are supported by the Russian Government.

ARTICLE II.

Russia, on her part, engages not to seek for herself and not to support, in favour of Russian subjects, or in favour of the subjects of third Powers, any concessions of a political or commercial nature—such as concessions for railways, banks, telegraphs,

LES Gouvernements de la Grande-Bretagne et de la Russie, s'étant mutuellement engagés à respecter l'intégrité et l'indépendance de la Perse, et animés d'un sincère désir pour la préservation de l'ordre dans toute l'étendue de l'Empire Persan et pour le développement pacifique de ce pays, aussi bien que pour l'établissement permanent des avantages égaux pour le commerce et l'industrie de toutes les nations;

Considérant que chacun d'eux a, pour des raisons d'ordre géographique et économique, un intérêt spécial au maintien de la paix et de l'ordre dans certaines provinces de la Perse contiguës ou voisines à la frontière Russe, d'une part, et aux frontières de l'Afghanistan et du Béloudjistan, de l'autre; et que la Grande-Bretagne a un intérêt spécial au maintien du *statu quo* au Golfe Persique;

Constatant l'effet nuisible résultant des cas de friction sur place dans leurs relations avec la Perse et entre eux-mêmes, et étant désireux d'éviter tout motif de conflit entre leurs intérêts respectifs dans les régions susmentionnées;

Se sont mis d'accord sur la Convention suivante:—

ARTICLE I.

La Grande-Bretagne s'engage à ne pas rechercher pour elle-même et à ne pas appuyer en faveur de sujets Britanniques, aussi bien qu'en faveur de sujets de Puissances tierces, de concessions quelconques de nature politique ou commerciale—telles que les concessions de chemin de fer, de banques, de télégraphes, de routes, de transport, d'assurance, &c.—au delà d'une ligne partant de Kasri-Chirin, traversant Ispahan, Yazd, et Kakhk et aboutissant à un point sur la frontière Persane contiguë à l'intersection des frontières Russe et Afghanes, et à ne pas s'opposer, directement ou indirectement, à des demandes de pareilles concessions dans cette région soutenues par le Gouvernement Russe.

ARTICLE II.

La Russie, de son côté, s'engage à ne pas rechercher, pour elle-même, et à ne pas appuyer en faveur de sujets Russes, aussi bien qu'en faveur de sujets de Puissances tierces, de concessions quelconques de nature politique ou commerciale

roads, transport, insurance, &c.—beyond a line going from the Afghan frontier by way of Gazik, Birjand, Kerman and Bunder Abbas, and along the frontiers of Afghanistan and Baluchistan, and not to oppose, directly or indirectly, demands for similar concessions in this region which are supported by the British Government.

ARTICLE III.

Russia, on her part, further engages not to oppose, without previous arrangement with Great Britain, any grant of concessions to British subjects in the regions of Persia outside of the lines mentioned in Articles I and II. Great Britain undertakes a similar engagement as regards the grant of concessions to Russian subjects in the same regions of Persia.

All existing concessions within the lines mentioned in Articles I and II are maintained.

ARTICLE IV.

It is understood that the revenues of all the Persian customs, with the exception of those of Farsistan and of the Persian Gulf, guaranteeing the repayment and the interests of the loans concluded in Russia by the Government of the Shah, shall be devoted to the same purpose as in the past.

It is equally understood that the revenues of the Persian customs of Farsistan and of the Persian Gulf, as well as those of the Caspian Fisheries and of the Posts and Telegraphs, shall be devoted, as in the past, to the service of loans concluded by the Government of the Shah with the Imperial Bank of Persia.

ARTICLE V.

In the event of irregularities occurring in the amortization or the payment of the interest of the Persian loans concluded in England or Russia up to the date of the signature of the present Arrangement, and in the event of the necessity arising, for one of the Contracting Parties to establish control over the sources of revenue affected to the regular service of the loans concluded with that Party by Persia, which are situated in the sphere of influence of the other Party, the British and Russian Governments undertake to enter beforehand into a friendly exchange of ideas with a view to determine, in agreement with each other, the means of giving effect to the measures of control in question, and to avoid all interference in the respective spheres which would not be in conformity with the principles governing the present Convention.

ARTICLE III.

La Russie, de son côté, s'engage, en outre, à ne pas s'opposer, sans entente préalable avec la Grande-Bretagne, à des concessions en faveur de sujets Britanniques dans les régions de la Perse en dehors des lignes dont il a été fait mention aux Articles I et II. La Grande-Bretagne prend un engagement analogue à l'égard des concessions en faveur de sujets Russes dans les mêmes régions de la Perse.

Toute concession actuellement en vigueur dans les limites dont il a été fait mention aux Articles I et II est maintenue.

ARTICLE IV.

Il est entendu que les revenus de toutes les douanes Persanes, à l'exception de celles du Farsistan et du Golfe Persique, hypothéqués au remboursement et aux intérêts des emprunts conclus en Russie par le Gouvernement du Schah, seront affectés au même but que par le passé.

Il est également entendu que les revenus des douanes Persanes du Farsistan et du Golfe Persique, aussi bien que ceux des pêcheries Caspiennes et des Postes et Télégraphes, seront affectés, comme par le passé, au service des emprunts conclus par le Gouvernement du Schah avec la Banque Impériale de Perse.

ARTICLE V.

En cas d'irrégularités dans l'amortissement ou le paiement des intérêts des emprunts Persans conclus jusqu'à la date de la signature du présent Arrangement en Russie ou en Angleterre, et si la nécessité se présente pour une des Parties Contractantes d'instituer un contrôle sur les sources des revenus affectés au service régulier des emprunts conclus chez elle par la Perse, qui sont situées dans la sphère d'influence de l'autre Partie, les Gouvernements Russe et Anglais s'engagent à entrer préalablement dans un échange d'idées amical en vue de déterminer, d'un commun accord, les moyens d'effectuer les mesures de contrôle en question, et d'éviter toute ingérence dans les sphères respectives qui ne serait pas en conformité des principes gouvernant la présente Convention.

No. 9.

Sir A. Nicolson to Sir Edward Grey.—(Received June 10.)

(No. 306.)

Sir,

St. Petersburg, June 6, 1907.

I HAVE the honour to transmit herewith an *aide-mémoire* which I have received from M. Isvolsky, inclosing some amendments which the Russian Government desire to introduce into the Preamble and into Articles I to IV of the draft Convention concerning Persia.

I have, &c.
(Signed) A. NICOLSON.

Inclosure 1 in No. 9.

Aide-mémoire.

DANS son aide-mémoire du 14 (27) Mai courant, le Gouvernement Impérial, tout en constatant l'accord établi entre la Grande-Bretagne et la Russie quant au contenu du Préambule et des quatre premiers Articles de la Convention à conclure sur les affaires de Perse, se proposait de revenir sur quelques détails de l'Arrangement qui, de son avis, exigeraient des éclaircissements supplémentaires.

Le Gouvernement Impérial a cru donc utile de mettre en regard le texte du Préambule et des quatre premiers Articles, tel qu'il a été accepté en principe par les deux Gouvernements, et les changements qu'il proposerait, pour sa part, d'y introduire, conformément à la pièce ci-jointe.

Sans s'arrêter sur quelques modifications de rédaction d'importance secondaire, qui y sont désignées en marge, le Ministère Impérial croit devoir attirer tout spécialement l'attention de l'Ambassadeur Britannique sur les points suivants qui, tout en ne touchant en rien aux bases de l'entente établies, ont tout de même une certaine portée.

1. Il est à noter tout d'abord que l'expression "animés du sincère désir de maintenir l'ordre et le développement pacifique dans toute l'étendue de l'Empire Persan" implique l'idée d'un engagement direct de garantir le maintien de l'ordre en Perse, ce qui n'entre évidemment pas dans les intentions des Parties Contractantes. Il serait donc préférable de rédiger ce passage comme suit: "animés du sincère désir de voir l'ordre et le développement pacifique maintenus dans toute l'étendue de l'Empire Persan."

2. La Convention ayant exclusivement trait aux intérêts de la Grande-Bretagne et de la Russie en Perse, il serait peut-être désirable d'omettre le passage relatif "aux avantages égaux pour le commerce et l'industrie de toutes les nations," d'autant plus que ce passage n'est pas en tous points conforme avec les dispositions du projet de la Convention.

3. De l'avis du Ministère Impérial, il semblerait préférable d'atténuer en tant que possible toute expression faisant allusion à des cas de mésintelligence entre les deux Puissances, et par conséquent d'omettre les mots "constatant l'effet nuisible résultant des cas de friction sur place dans leurs relations avec la Perse et entre eux-mêmes." Le sens général du paragraphe n'en serait pas, semble-t-il, moins clair.

4. Comme la Russie a consenti en principe à faire aboutir la ligne de démarcation de sa sphère d'influence à Zulfagar, il reste à définir d'une manière précise les points principaux que la ligne en question devra traverser à partir de Khakh; le Ministère Impérial désirerait la voir passer par les localités Khaf et Kiariz et la montagne Kuh-Benitak. Cette direction aurait l'avantage de comprendre dans la sphère d'influence Russe le poste sanitaire de Kiariz, très important au point de vue de la garantie des possessions Russes de l'invasion d'épidémies.

5. Les limites de la zone Russe n'étant indiquées dans l'Article I que de côté méridional, y aurait-il nécessité de mentionner dans l'Article II "les frontières de l'Afghanistan et du Béloudjistan" comme limitant la zone Anglaise?

6. Enfin, le Gouvernement Russe proposerait, pour plus de précision, de compléter l'Article IV par une indication qu'il ne s'agit des emprunts conclus, aussi bien à la Banque Impériale de Perse qu'à la Banque d'Escompte et des Prêts, "jusqu'à la date de la signature du présent Arrangement."

Saint-Petersbourg, le 23 Mai (5 Juin), 1907.

Inclosure 2 in No. 9.

Modifications proposées par le Gouvernement de Russie.

Le Texte de Convention, relative aux Affaires de Perse, adopté en principe par les Gouvernements de Grande-Bretagne et de Russie.

voir l'ordre et le développement pacifique maintenus

à exclure

LES Gouvernements de Grande-Bretagne et de Russie, s'étant mutuellement engagés à respecter l'intégrité et l'indépendance de la Perse et animés du sincère désir de maintenir l'ordre et le développement pacifique dans toute l'étendue de l'Empire Persan, aussi bien que d'établir des

avantages égaux pour le commerce et l'industrie de toutes les nations, ont résolu qu'une Convention sera conclue entre eux aux termes suivants:—

Les Gouvernements de Grande-Bretagne et de Russie reconnaissent mutuellement que chacun d'eux a, pour des raisons d'ordre géographique et économique, un intérêt spécial à maintenir la paix et l'ordre dans certaines provinces de la Perse contiguës ou voisines à la frontière Russe d'une part, et aux frontières de l'Afghanistan et du Béloudjistan de l'autre; et chacun des deux Gouvernements, constatant l'effet nuisible résultant des cas de friction sur place dans leurs relations avec la Perse et entre eux-mêmes, est désireux d'éviter tout motif de collision avec les intérêts spéciaux de chacun d'eux dans les provinces Persanes dont il a été fait mention plus haut.

En conséquence, il a été décidé par la présente comme suit:—

I.

La Grande-Bretagne s'engage à ne pas rechercher pour elle-même et à ne pas appuyer, en faveur de sujets Britanniques, aussi bien qu'en faveur de sujets de Puissances tierces, de Concessions quelconques de nature politique ou commerciale, telles que les Concessions de chemins de fer, de banques, de télégraphes, de routes, de transport, d'assurance, &c., au delà d'une ligne partant de Kasri-ehrin, traversant Isphahan, Iezd, et Khakh et aboutissant à la frontière Afghane près de Zulficar, et à ne pas s'opposer, directement ou indirectement, à des demandes de pareilles Concessions dans cette région soutenues par le Gouvernement Russe.

II.

La Russie, de son côté, s'engage à ne pas rechercher pour elle-même et à ne pas appuyer, en faveur de sujets Russes, aussi bien qu'en faveur de sujets de Puissances tierces, de Concessions quelconques de nature politique ou commerciale, telles que les Concessions de chemins de fer, de banques, de télégraphes, de routes, de transport, d'assurance, &c., au delà d'une ligne allant de la frontière Afghane par Gazik, Birdjand, Kerman, et Bender-Abbas et par les frontières de l'Afghanistan et du Béloudjistan, et à ne pas s'opposer, directement ou indirectement, à des demandes de pareilles Concessions dans cette région soutenues par le Gouvernement Britannique.

III.

La Russie s'engage pour sa part à ne pas s'opposer, sans s'être préalablement entendue avec l'Angleterre, à ce que des Concessions quelconques soient données à des sujets Britanniques dans les régions de la Perse situées en dehors des lignes mentionnées dans les Articles I et II.

La Grande-Bretagne prend un engagement analogue en ce qui concerne des Concessions à donner à des sujets Russes dans les mêmes régions de la Perse.

Toutes les Concessions existant actuellement en deçà des lignes désignées dans les Articles I et II sont maintenues.

voir la paix et l'ordre maintenus

à exclure

de l'autre

Iezd, Khakh, Khaf, Kiariz, et la montagne Kuh-Benitak

et aboutissant à Bender-Abbas

entre les

identique

IV.

revenus garantissant

a la Banque d'Escompte et des Prêts de Perse jusqu'à la date de la signature du présent Arrangement.

sur le littoral Persan de la Mer Caspienne et ceux

Perse jusqu'à la date de la signature du présent Arrangement.

Il est entendu que les revenus de toutes les douanes Persanes, à l'exception de celles du Farsistan et du Golfe Persique, garantissant l'amortissement et les intérêts des emprunts conclus par le Gouvernement du Schah en Russie, seront affectés au même but que par le passé.

Il est également entendu que les revenus de douanes Persanes du Farsistan et du Golfe Persique, aussi bien que ceux des pêcheries de la Mer Caspienne et des Postes et Télégraphes, seront affectés comme par le passé au service des emprunts conclus par le Gouvernement du Schah à la Banque Impériale de Perse.

No. 10.

Sir Edward Grey to Sir A. Nicolson.

(No. 89.)

(Telegraphic.) P.

PERSIAN Convention.

I have received your Excellency's despatch No. 306 of the 6th instant.

As regards the preamble, we wish the words "aussi bien que . . . nations" retained.

Their omission might seem to reserve parts of Persia for exploitation exclusively by Russia and Great Britain, and thereby the Convention would be exposed to criticism both in Persia and also in every country which has commercial dealings with Persia, more especially the German Empire. By Articles I and II Russia and Great Britain are specifically prevented from seeking Concessions, &c., in the other country's sphere. In order, therefore, to make the preamble consistent with these Articles, we propose to replace the words "toutes les nations" by the expression "toutes les autres nations."

We are willing that the words "constatant . . . entre eux-mêmes" be omitted.

In my despatch No. 225 of the 6th instant I inclosed our draft, which meets the remaining objections, but if M. Isvolsky is insistent we are prepared to adopt the Russian text.

As regards Article I, the change in Russian line as proposed cannot be accepted, as it would bring line too near to frontier of Afghanistan. Same objections can be urged against proposed change as against original proposal—that terminal point of line should be at Kuhsan (please refer on this subject to my telegram No. 20 of the 8th March of this year).

Criticism of a hostile nature would most assuredly be excited in this country by the compromise which the Russian Government now propose, and an atmosphere would thereby be created unfavourable to the Agreement. It is to the general interest to avoid such things.

Nevertheless, you may state that, if maintenance of Karez sanitary station is considered indispensable by Russian Government, no objection will be raised by us if Imperial Government, on their part, agree not to disturb present arrangement, which places under British control the quarantine on Persian Gulf.

As regards Articles II, III, IV, amendments proposed by Russian Government appear to be unobjectionable.

You should communicate to Russian Government (when you inform them of our views respecting their amendments) our amendments also, which I suggested in my despatch No. 225. We attach much importance to them, and especially to those in which maintenance of *status quo* in Persian Gulf is alluded to and the line from Kakh to intersection of Russian and Afghan frontiers is defined.

We agree with your text of Article V, which has been received. "Servant de base à" appears to us to be correctly translated by word "governing."

No. 11.

Sir A. Nicolson to Sir Edward Grey.—(Received July 2.)

(No. 342. Confidential.)

Sir,

St. Petersburg, June 24, 1907.

I CALLED by appointment on M. Isvolsky this afternoon, and said that I was prepared to communicate to him the replies of His Majesty's Government to the modifications which he had suggested in the draft Convention concerning Persia. I told his Excellency that my Government had accepted the amendments proposed in Articles II, III, and IV, and that they further agreed to the elimination of the clause in the Preamble relative to the injurious effect of local friction. His Majesty's Government, however, desired to retain the clause concerning equal opportunities

for the commerce and industry of all nations, but in view of the observations made in his *aide-mémoire* of the 5th June, and in order to render the passage consistent with Articles I and II, they would suggest that the words "all other countries" should be substituted for "all countries."

I said that there was one other point to which His Majesty's Government attached great importance, and which I did not doubt that the Russian Government would make no difficulty in accepting, and that was, that a clause should be inserted in the Preamble referring to the special interests which Great Britain had in the maintenance of the *status quo* in the Persian Gulf. This was a matter in which British public opinion took a great interest, and my Government considered it to be necessary, in order to satisfy the feeling in my country and to assist in the general acceptance of the Convention, that some mention should be formally made of the fact.

In Article I there was also a modification which I must propose, and that was in regard to the tracing of the Russian line from Kakh northwards. We had assumed, naturally, that the line would run direct from Kakh to its terminus at a point near the intersection of the Russian and Afghan frontiers, but, in the *aide-mémoire* of the 5th June, the line, as traced, made a considerable deviation eastwards, and ran close along the Afghan frontier. To this tracing, the same objections must be raised as were formulated in regard to the Russian line terminating near Kuhsan, and I repeated to his Excellency the nature of the objections which had been made on that occasion. I told his Excellency that he would find these points set forth in the *aide-mémoire* which I begged leave to hand to him, and of which I have the honour to inclose a copy.

M. Isvolsky said that a very serious question was raised by the proposed insertion of a clause relative to the *status quo* in the Persian Gulf, and that he had the gravest doubts if the Russian Government could consent to its being interpolated. He did not himself wish to contest that Great Britain had special and predominant interests in the Gulf, but he wished to explain at once to me how the question presented itself at first sight to him. During all our discussions regarding the Persian Convention, both Governments had strictly limited themselves to treating of matters which concerned themselves alone, and which neither directly nor indirectly affected the interests of other Powers. These wise restrictions would exclude any other Power from having any justification hereafter to complain that the two negotiating countries had dealt with, or touched upon, interests other than their own. At the last moment, Great Britain proposed to enlarge the scope of the Agreement, and to extend it to a question which it was known was in a sense a controversial one, and which did touch upon the interests of others. It could not be denied that Turkey and Germany did not admit to the full our contentions as to the Persian Gulf, and if the clause were inserted, and Russia subscribed to it, he feared that an embarrassing situation would hereafter arise. The clause had a far-reaching effect, and he could not foretell what consequences; and he did not understand why, if the matter were of such importance to us, it had not been brought forward earlier. The Convention as drawn up between us, and in regard to which he had hoped only some secondary details had to be settled, was chiefly directed to avoiding all possible causes of friction between the two Powers, and related solely to our respective frontiers; and he regretted that we should now wish to raise a delicate and important question which was mixed up with other controversial matter. He would only mention for the moment the Bagdad Railway and Koweit.

I told M. Isvolsky that I perfectly appreciated the force of his argument that the question had been raised at a late hour; but I would tell him frankly that there was likely to be opposition from some quarters in Great Britain and India to our Agreement, and that as it was desirable to modify such opposition and procure as general acceptance as possible of the Convention, my Government after careful consideration, had desired to refer to a matter in which the British public took a very keen interest. I did not deny that the proposal came late in the day, but many would consider that a Convention about Persia with no mention of the Persian Gulf was deficient. Moreover, I did not see why the Russian Government should hesitate to subscribe to a proposition which was incontrovertible. We did not ask Russia to take any action, nor did we attempt to bind her in respect to other countries. We stated an undoubted fact, which was surely universally recognized, which had been affirmed over and over again, and very emphatically by Lord Lansdowne in the House of Lords in 1903.

M. Isvolsky said he doubted that the recognition of the fact was so universal as I had stated, and he was perfectly well aware of our views on the subject, and also of Lord Lansdowne's statement. He strongly demurred, however, to introducing fresh factors into the Agreement, especially at a moment when the negotiations were on the point of being terminated. What should we have said if Russia had suddenly sprung upon us a request to recognize her special interests in Armenia, for instance?

I replied that the Persian Gulf was closely connected with Persia, as it washed the whole of the southern littoral of that country. His Excellency remarked that it washed the coasts of other countries as well. But all this was beside the mark. He adjured me to take into consideration the serious consequences of opening up this question. He was most eager to hasten on the conclusion of our negotiations, and he could assure me that it would be dangerous to delay their termination. Opposition was existent in this country and outside of it. There had been one or two Agreements recently concluded which I must know had been displeasing to Berlin. He could with safety conclude our Convention on the lines we had originally drawn, and which hitherto we had both scrupulously observed, but I must remember that Russia had a powerful neighbour, alert and watchful, who had her eyes fixed on that very quarter of which we now desired to make formal mention in our Convention in a form which could not but produce suspicion and dissatisfaction. He was ready to meet any criticisms if we kept within the original scope of the Agreement, but the case would be different if fresh factors were introduced, which in any case would prolong the discussions, and this, he must repeat to me, would be most dangerous.

I said that, of course, I would report to you all his observations as faithfully as possible, but that I could by no means say if they would induce my Government to abandon their request. M. Isvolsky made a slight gesture of despair, and I asked him if he could tell me, leaving the immediate question on one side, when he hoped to sign the Conventions.

His Excellency took an almanac, and said that he hoped to be able to give me replies to both Persian and Afghan questions by the 3rd July (N.S.). I observed that if he did this, and that, as my Government was as desirous as himself to hasten the conclusion, I proposed, in order to expedite matters, to take his replies home and discuss them with you, and return in about a fortnight, say, on the 25th July, and then we could finally settle all Conventions. His Excellency begged me not to adopt this plan, but to stay here so that we might sign the Conventions on the 15th July. I was a little surprised at this promptness, but I told his Excellency that, of course, I would remain here till the negotiations were finally concluded.

His Excellency then reverted to the question of the tracing of the Russian line, and I told him that on that point it was really essential that their line on leaving Kakh should not deviate to the eastwards; it should run straight to the point in the corner near Zulficar. I said that if the Russian Government laid great stress on having Karez as a sanitary station, we would be prepared not to object to that, but on condition that they engaged not to interfere with the existing arrangement by which the quarantine in the Persian Gulf was under British control. M. Isvolsky said that again on this question there entered a reference to the Persian Gulf which he desired to keep out of the Convention. Moreover, he thought that the compromise was a little one-sided. We gave to them permission to establish a sanitary station at one place, and then required an acknowledgment on their part of our control over several localities. I observed that all that we requested was the admission of an arrangement already in force, while we were willing to cede a point only in contemplation. His Excellency said that he wished to think over this question.

I was much impressed by two facts in my conversation with M. Isvolsky: (1) his anxiety to exclude from consideration any matters affecting the Persian Gulf, as he evidently anticipates and fears that if we insist upon the inclusion in the Preamble of the draft Convention of a recognition of our special interest in the maintenance of the *status quo* in that region, Germany will exhibit in some form or another her displeasure at Russia having met our wishes in that respect. It is perfectly clear to me that M. Isvolsky will not run the risk of impairing in the slightest degree the good relations between Russia and Germany, especially at a time when Russia has not yet emerged from her internal difficulties or repaired the losses which she has suffered in a disastrous campaign. The second fact is that M. Isvolsky is exceedingly eager to hasten on as rapidly as possible the conclusion of the negotiations. On this point I have not seen him, during the progress of our discussions, so emphatic or so eager. It was evident to me that either in home circles or outside something had occurred which had impressed on him the urgent necessity of losing no further time.

In these circumstances, I venture to submit that we should not insist upon points which may either delay the conclusion of the negotiations or which may even imperil their ultimate success. Leaving on one side public opinion either in Russia or in England, which probably will not be a constant factor, and regarding simply the enormous advantage to be acquired by the cessation of the rivalries and disputes which for so many years have strained and endangered the relations between the two countries, and the inestimable benefits to be gained by an amicable understanding between the two Great Powers in Asia, I would suggest that it would be most regrettable if an opportunity which may never recur should be lost, and if, owing to insistence on points which are not of vital importance, the hopes of a durable arrangement were to be disappointed. It seems to me that by the Conventions, even as they at present stand, we have secured all the guarantees which are necessary to the safety of our Indian frontiers; and that we have removed to a reasonable distance the danger of Russian aggression. As regards the Persian Gulf, even admitting that the approach to those waters is not definitely barred—and in present circumstances this could hardly be achieved—we have for the defence of our interests in those regions our naval preponderance with which no Power can compete. In order, therefore, to profit by the present eagerness of M. Isvolsky to put his seal to the arrangements on which we have practically already come to an agreement, I would respectfully urge that we should be conciliatory on minor details, and even on a question of public sentiment, and lose no time in finally concluding negotiations which have lasted for so many months.

I have, &c.
(Signed) A. NICOLSON.

Inclosure in No. 11.

Memorandum communicated by Sir A. Nicolson to M. Isvolsky.

HIS Majesty's Embassy had the honour to receive the *aide-mémoire*, with its inclosure, which the Imperial Ministry for Foreign Affairs was good enough to communicate on the 23rd May (5th June), regarding the Preamble and the four first Articles of the draft Convention concerning Persia.

His Majesty's Embassy has in the first place the honour to state that His Majesty's Government accept the amendments proposed by the Imperial Ministry for Foreign Affairs in Articles II, III, and IV.

In regard to the Preamble, His Majesty's Embassy would beg leave to point out that His Majesty's Government agree to omit the passage from the words "constatant l'effet" to the words "entre eux-mêmes"; but they consider it desirable to retain the passage in regard to equal opportunity for the commerce of other countries, and they fear that the exclusion of the words "aussi bien que d'établir des avantages égaux pour le commerce et l'industrie de toutes les nations" would expose the Convention to criticism in Persia and in all countries having commercial relations with her. In order, however, to render the passage consistent with Articles I and II, which especially exclude Great Britain and Russia from seeking Concessions in the sphere of the other, His Majesty's Government would be prepared to substitute the words "toutes les autres nations" for "toutes les nations."

His Majesty's Embassy desires also to state that His Majesty's Government consider it to be of great importance that reference should be made in the Preamble to the special interest of Great Britain in the maintenance of the *status quo* in the Persian Gulf, and a passage has consequently been inserted to that effect. His Majesty's Embassy does not doubt that the Imperial Russian Government will agree to this insertion.

With respect to Article I, His Majesty's Embassy would beg leave to point out that the tracing of the Russian line, as proposed in the *aide-mémoire* of the 23rd May (5th June), would bring the line on leaving Kakh extremely close to the Afghan frontier, and would be open to the same objections as His Majesty's Embassy had the honour to formulate in regard to the original proposal that the line should terminate near Kuhsan. His Majesty's Embassy would beg leave to recapitulate these objections, which were to the effect that the Russian and British spheres of interest are, as mentioned in the Preamble, contiguous or in proximity to the Russian frontier on the one hand, and the frontiers of Afghanistan and Beluchistan on the other, and that no mention is made of a Russian sphere as contiguous with the Afghan frontier. Moreover, Great Britain is responsible by Treaty engagements for the settlement of frontier disputes between Persia and Afghanistan, and the introduction of another Power having special interests on the Perso-Afghan frontier would tend to complicate matters. Moreover, Zulficar is well within the territory of Afghanistan, and His Majesty's Embassy would therefore propose to the Imperial Government that the wording of the passage concerning the line should run as follows: "From Kasri-Chirin by Ispahan, Yazd, and Kakh, and terminating at a point on the Persian frontier adjoining the intersection of the Russian and Afghan frontiers."

It is thereby understood that Khaf, Kiariz, and the mountain Kuh-Benitak would lie outside of and to the eastwards of the line. If, however, the Imperial Russian Government consider that the maintenance of a sanitary station at Kiariz (Karez) is indispensable, His Majesty's Government will not object to that, provided that the Russian Government will agree not to interfere with the existing arrangement whereby quarantine on the Persian Gulf is under British control.

His Majesty's Embassy has the honour to inclose the Preamble and Article I as amended in accordance with the wishes of His Majesty's Government.

St. Petersburg, June 10 (23), 1907.

No. 12.

Sir A. Nicolson to Sir Edward Grey.—(Received July 8.)

(No. 347.)
Sir,

St. Petersburg, June 29, 1907.

I HAVE the honour to transmit herewith copy of an *aide-mémoire* which I received yesterday from M. Isvolsky in reply to the Memorandum which I communicated to his Excellency on the 24th instant, a copy of which I forwarded in my despatch No. 342, Confidential, of that date.

In my telegram No. 109 of yesterday's date I communicated to you the text of that portion of the *aide-mémoire* which refers to the insertion of a passage in the preamble of the Convention concerning Persia relative to the special interests of Great Britain in the maintenance of the *status quo* in the Persian Gulf.

I have, &c.
(Signed) A. NICOLSON.

Inclosure in No. 12.

Memorandum communicated by M. Isvolsky to Sir A. Nicolson.

LE Ministère Impérial des Affaires Étrangères, ayant pris connaissance de l'aide-mémoire de l'Ambassade Britannique du 10 (23) Juin, sur les affaires de Perse, a l'honneur d'exposer ce qui suit.

Le Ministère Impérial est tout prêt à adhérer à la proposition de maintenir dans le préambule de la Convention le passage se rapportant au commerce des autres Puissances avec la modification projetée.

Quant à la proposition du Cabinet de Londres de mentionner dans le préambule de la Convention l'intérêt spécial de l'Angleterre au maintien du *statu quo* dans le Golfe Persique, cette proposition, produite à un moment où les négociations semblaient aboutir, donne matière à de sérieuses objections.

Elle est de nature à changer complètement le caractère et l'étendue de l'Accord projeté, lequel, dans sa partie résultative, ne touche pas du tout au Golfe Persique dont jusqu'ici il n'a jamais été question dans les pourparlers entre la Russie et l'Angleterre. Une clause nouvelle, relative à une question politique dont l'importance ne saurait être méconnue et qui touche à des intérêts si complexes, rouvrirait la discussion et pourrait retarder la signature non seulement de la Convention sur les affaires Persanes, mais aussi celle des actes se rapportant à toutes les autres questions négociées. Il ne faut pas perdre de vue qu'en dehors de la Perse il y a la Turquie, à laquelle appartient plus de la moitié du littoral du Golfe et qui doit se considérer comme directement intéressée dans la question; il y a également d'autres Puissances qui à coup sûr se croiraient lésées si un Accord se faisait à leur insu. Il est très important d'éviter tout ce qui pourrait provoquer contre l'Accord entre la Russie et l'Angleterre les objections de tierces Puissances. Il est incontestable que, dans sa forme actuelle, cet Accord ne touche à aucun intérêt collatéral et ne saurait, dès lors, donner lieu à aucune protestation tant soit peu fondée; or, la clause proposée par le Cabinet de Londres ne manquera pas de susciter des froissements et peut devenir la cause d'un incident dans le genre de celui qui a suivi l'Accord Anglo-Français au sujet du Maroc.

Toutes ces raisons portent le Ministère Impérial des Affaires Étrangères à prier instamment le Cabinet de Londres de vouloir bien renoncer à sa proposition de mentionner dans le préambule ses intérêts spéciaux dans le Golfe Persique. Il est bien entendu, d'ailleurs, qu'en formulant cette prière, le Cabinet Impérial n'entend pas du tout nier ces intérêts ni exclure la possibilité d'examiner plus tard et à une autre occasion avec le Cabinet de Londres la question du Golfe Persique.

En ce qui regarde le tracé de la ligne de délimitation de la sphère Russe, indiqué dans l'aide-mémoire de l'Ambassade, le Ministère Impérial se propose de revenir sur cette question dans une communication subséquente.

Saint-Petersbourg, le 14 (27) Juin, 1907.

No. 13.

Sir A. Nicolson to Sir Edward Grey — (Received July 3.)

(No. 118.)

(Telegraphic.) P.

St. Petersburg, July 3, 1907.

PERSIAN Gulf: My telegram No. 115 of the 30th ultimo.

I received M. Isvolsky's reply to my letter this morning. He regrets to state that the doubts expressed in his *aide-mémoire* are not removed, though he has studied the new proposal with the sincerest desire of coming to an agreement. Although in the new proposal the interests of third Powers are given a far greater measure of consideration, the principal objection is not removed, namely, that a completely new element, foreign to its original aim, is introduced into the Convention. The questions connected with the Persian Gulf touched very diverse interests, and were of a complex nature, and it would consequently be difficult to bring them within the scope of the Convention as proposed; in fact, the Persian Gulf as a whole could not be considered as an integral part, and still less as a dependency of Persia. The Russian Government would have no objection to an exchange of views later with His Majesty's Government on the special position acquired by Great Britain in the Gulf, and in formulating the present objection she wished in no way to ignore that position. He was, however, sincerely desirous of coming to definite agreement as soon as possible on the points which were the object of the present discussions, and he therefore begged the British Government to renounce their proposal of mentioning their special interests in the Gulf in the preamble of the Convention.

I have tried my best to convince him, but I am confident that he will not waive his objections, and I fear that it would be of no purpose to continue to press the point. He probably consulted the Emperor, with whom he had an interview yesterday, and the whole Arrangement may be blocked if we urge the question further. Please let me know your views on this telegram as soon as possible.

No. 14.

Sir Edward Grey to Sir A. Nicolson.

(No. 99.)

(Telegraphic.) P.

Foreign Office, July 5, 1907.

YOUR efforts, as reported in your telegram No. 118, to obtain insertion of mention of our special interests in the Persian Gulf in the Persian Convention are appreciated by His Majesty's Government. We note that the Russian Minister for Foreign Affairs is unwilling to accede to our wishes.

You should now make a written communication to him to the effect that, in order to meet his views and to accelerate the signature of the Agreement, we are prepared to abandon our proposal, and that we take note of the statement contained in his Memorandum, that the Russian Government do not call in question our special interest in the maintenance of the *status quo* in the Persian Gulf.

You should also point out to his Excellency that, owing to public opinion in this country, I shall be compelled to make a public declaration of our views on the Gulf situation. This

statement will be on the lines of maintaining the *status quo* in the Gulf, and I shall add that we have reason to believe that the question of the Persian Gulf is not likely to give rise to difficulties between Russia and ourselves. I will in due course communicate the terms of the declaration to you.

APPENDIX (B).

(A.)—*Text of Anglo-Russian Agreement.*

No. 1.

Sir A. Nicolson to Sir Edward Grey.—(Received September 3.)

(No. 445.)

Sir,

St. Petersburg, August 31, 1907.

I HAVE the honour to transmit herewith the Convention which was signed to-day by M. Isvolsky and myself for the settlement of certain questions affecting the interests of Great Britain and Russia in Asia.

I also beg leave to forward a note which I received from M. Isvolsky in response to a communication from me, of which a copy is herewith inclosed, on the subject of the entry of scientific missions into Thibet.

I have, &c.
(Signed) A. NICOLSON.

Inclosure 1 in No. 1.

Convention.

SA Majesté le Roi du Royaume-Uni de la Grande-Bretagne et d'Irlande et des Territoires Britanniques au delà des Mers, Empereur des Indes, et Sa Majesté l'Empereur de Toutes les Russies, animés du sincère désir de régler d'un consentement mutuel différentes questions touchant aux intérêts de leurs États sur le Continent Asiatique ont résolu de conclure des Accords destinés à prévenir toute cause de malentendus entre la Grande-Bretagne et la Russie par rapport aux dites questions et ont nommé à cet effet pour leurs Plénipotentiaires respectifs, savoir:

Sa Majesté le Roi du Royaume-Uni de la Grande-Bretagne et d'Irlande et des Territoires Britanniques au delà des Mers, Empereur des Indes, le Très Honorable Sir Arthur Nicolson son Ambassadeur Extraordinaire et Plénipotentiaire près Sa Majesté l'Empereur de Toutes les Russies;

Sa Majesté l'Empereur de Toutes les Russies, le Maître de sa Cour Alexandre Isvolsky, Ministre des Affaires Étrangères;

Lesquels, après s'être communiqué leurs pleins pouvoirs, trouvés en bonne et due forme, sont convenus de ce qui suit:—

Arrangement concernant la Perse.

Les Gouvernements de la Grande-Bretagne et de Russie, s'étant mutuellement engagés à respecter l'intégrité et l'indépendance de la Perse et désirant sincèrement la préservation de l'ordre dans toute l'étendue de ce pays et son développement pacifique, aussi bien que l'établissement permanent d'avantages égaux pour le commerce et l'industrie de toutes les autres nations;

Considérant que chacun d'eux a, pour des raisons d'ordre géographique et économique, un intérêt spécial au maintien de la paix et de l'ordre dans certaines provinces de la Perse contiguës ou voisines à la frontière Russe, d'une part, et aux frontières de l'Afghanistan et du Beloudjistan, de l'autre; et étant désireux d'éviter tout motif de conflit entre leurs intérêts respectifs dans les provinces Persanes dont il a été fait mention plus haut;

Se sont mis d'accord sur les termes suivants:—

I.

La Grande-Bretagne s'engage à ne pas rechercher pour elle-même et à ne pas appuyer en faveur de sujets Britanniques, aussi bien qu'en faveur de sujets de Puissances tierces, de Concessions quelconques de nature politique ou commerciale, telles que les Concessions de chemins de fer, de banques, de télégraphes, de routes, de transport, d'assurance, &c., au delà d'une ligne allant de Kasri-Chirin par Isfahan, Iezd, Khakh, et aboutissant à un point sur la frontière Persane à l'intersection des frontières Russe et Afgane, et à ne pas s'opposer, directement ou indirectement, à des demandes de pareilles Concessions dans cette région soutenues par le Gouvernement Russe. Il est bien entendu que les localités mentionnées ci-dessus entrent dans la région où la Grande-Bretagne s'engage à ne pas rechercher les susdites Concessions.

II.

La Russie de son côté s'engage à ne pas rechercher pour elle-même et à ne pas appuyer en faveur de sujets Russes, aussi bien qu'en faveur de sujets de Puissances tierces, de Concessions quelconques de nature politique ou commerciale, telles que les Concessions de chemins de fer, de banques, de télégraphes, de routes, de transport, d'assurance, &c., au delà d'une ligne allant de la frontière Afghane par Gazik, Birdjand, Kerman, et aboutissant à Bender Abbas, et à ne pas s'opposer, directement ou indirectement, à des demandes de pareilles Concessions dans cette région soutenues par le Gouvernement Britannique. Il est bien entendu que les localités mentionnées ci-dessus entrent dans la région où la Russie s'engage à ne pas rechercher les susdites Concessions.

III.

La Russie s'engage pour sa part à ne pas s'opposer, sans être préalablement entendue avec l'Angleterre, à ce que des Concessions quelconques soient données à des sujets Britanniques dans les régions de la Perse situées entre les lignes mentionnées dans les Articles I et II.

La Grande-Bretagne prend un engagement identique en ce qui concerne des Concessions à donner à des sujets Russes dans les mêmes régions de la Perse.

Toutes les Concessions existant actuellement dans les régions désignées dans les Articles I et II sont maintenues.

IV.

Il est entendu que les revenus de toutes les douanes Persanes, à l'exception de celles du Farsistan et du Golfe Persique, revenus garantissant l'amortissement et les intérêts des emprunts conclus par le Gouvernement du Schah à la Banque d'Escompte et de Prêts de Perse jusqu'à la date de la signature du présent Arrangement, seront affectés au même but que par le passé.

Il est également entendu que les revenus des douanes Persanes du Farsistan et du Golfe Persique, aussi bien que ceux des pêcheries sur le littoral Persan de la Mer Caspienne et ceux des postes et télégraphes seront affectés comme par le passé au service des emprunts conclus par le Gouvernement du Schah à la Banque Impériale de Perse jusqu'à la date de la signature du présent Arrangement.

V.

En cas d'irrégularités dans l'amortissement ou le paiement des intérêts des emprunts Persans conclus à la Banque d'Escompte et de Prêts de Perse et à la Banque Impériale de Perse jusqu'à la date de la signature du présent Arrangement, et si la nécessité se présente pour la Russie d'instituer un contrôle sur des sources de revenus garantissant le service régulier des emprunts conclus à la première des dites banques et situées dans la région mentionnée dans l'Article II du présent Arrangement, ou pour la Grande-Bretagne d'instituer un contrôle sur des sources de revenus garantissant le service régulier des emprunts conclus à la seconde des dites banques et situées dans la région mentionnée dans l'Article I du présent Arrangement, les Gouvernements Anglais et Russe s'engagent à entrer préalablement dans un échange d'idées amical en vue de déterminer d'un commun accord les mesures de contrôle en question et d'éviter toute ingérence qui ne serait pas conforme aux principes servant de base au présent Arrangement.

Convention concernant l'Afghanistan.

Les Hautes Parties Contractantes, en vue d'assurer la parfaite sécurité sur les frontières respectives en Asie Centrale et le maintien dans ces régions d'une paix solide et durable, ont conclu la Convention suivante :—

ARTICLE I.

Le Gouvernement de Sa Majesté Britannique déclare qu'il n'a pas l'intention de changer l'état politique de l'Afghanistan.

Le Gouvernement de Sa Majesté Britannique s'engage, en outre, à exercer son influence en Afghanistan seulement dans un sens pacifique, et il ne prendra pas lui-même en Afghanistan et n'encouragera pas l'Afghanistan à prendre des mesures menaçant la Russie.

De son côté, le Gouvernement Impérial de Russie déclare qu'il reconnaît l'Afghanistan comme se trouvant en dehors de la sphère de l'influence Russe, et il s'engage à se servir pour toutes ses relations politiques avec l'Afghanistan de l'intermédiaire du Gouvernement de Sa Majesté Britannique ; il s'engage aussi à n'envoyer aucuns Agents en Afghanistan.

ARTICLE II.

Le Gouvernement de Sa Majesté Britannique ayant déclaré dans le Traité signé à Kaboul le 21 Mars, 1905, qu'il reconnaît l'Arrangement et les engagements conclus avec le défunt Emir Abdur Rahman et qu'il n'a aucune intention de s'ingérer dans l'administration intérieure du territoire Afghan, la Grande-Bretagne s'engage à ne pas annexer ou occuper, contrairement au dit Traité, une partie quelconque de l'Afghanistan, ni à s'ingérer dans l'administration intérieure de ce pays, sous réserve que l'Emir remplira les engagements déjà contractés par lui à l'égard du Gouvernement de Sa Majesté Britannique en vertu du Traité susmentionné.

ARTICLE III.

Les autorités Russes et Afghanes, spécialement désignées à cet effet, sur la frontière ou dans les provinces frontalières, pourront établir des relations directes réciproques pour régler les questions locales d'un caractère non politique.

ARTICLE IV.

Les Gouvernements de la Grande-Bretagne et de Russie déclarent reconnaître, par rapport à l'Afghanistan, le principe de l'égalité de traitement pour ce qui concerne le commerce, et conviennent que toutes les facilités qui ont été ou seront acquises à l'avenir au commerce et aux commerçants Anglais et Anglo-Indiens seront également appliquées au commerce et aux commerçants Russes. Si le développement du commerce vient à démontrer la nécessité d'agents commerciaux, les deux Gouvernements s'entendront sur les mesures à prendre, eu égard bien entendu aux droits souverains de l'Emir.

ARTICLE V

Les présents Arrangements n'entreront en vigueur qu'à partir du moment où le Gouvernement Britannique aura notifié au Gouvernement de Russie le consentement de l'Emir aux termes ci-dessus stipulés.

Arrangement concernant le Thibet.

Les Gouvernements de la Grande-Bretagne et de Russie, reconnaissant les droits suzerains de la Chine sur le Thibet et considérant que par suite de sa situation géographique la Grande-Bretagne a un intérêt spécial à voir le régime actuel des relations extérieures du Thibet intégralement maintenu, sont convenus de l'Arrangement suivant :—

ARTICLE I.

Les deux Hautes Parties Contractantes s'engagent à respecter l'intégrité territoriale du Thibet et à s'abstenir de toute ingérence dans son administration intérieure.

ARTICLE II.

Se conformant au principe admis de la suzeraineté de la Chine sur le Thibet, la Grande-Bretagne et la Russie s'engagent à ne traiter avec le Thibet que par l'entremise du Gouvernement Chinois. Cet engagement n'exclut pas toutefois les rapports directs des agents commerciaux Anglais avec les autorités Thibétaines prévus par l'Article V de la Convention du 7 Septembre, 1904, entre la Grande-Bretagne et le Thibet, et confirmés par la Convention du 27 Avril, 1906, entre la Grande-Bretagne et la Chine ; il ne modifie pas non plus les engagements assumés par la Grande-Bretagne et la Chine en vertu de l'Article I de la dite Convention de 1906.

Il est bien entendu que les Bouddhistes tant sujets Britanniques que Russes peuvent entrer en relations directes sur le terrain strictement religieux avec le Dalaï-Lama et les autres représentants du Bouddhisme au Thibet ; les Gouvernements de la Grande-Bretagne et de Russie s'engagent, pour autant qu'il dépendra d'eux, à ne pas admettre que ces relations puissent porter atteinte aux stipulations du présent Arrangement.

ARTICLE III.

Les Gouvernements Britannique et Russe s'engagent, chacun pour sa part, à ne pas envoyer de Représentants à Lhassa.

ARTICLE IV.

Les deux Hautes Parties s'engagent à ne rechercher ou obtenir, ni pour leur propre compte, ni en faveur de leurs sujets, aucunes Concessions de chemins de fer, routes, télégraphes, et mines, ou autres droits au Thibet.

ARTICLE V.

Les deux Gouvernements sont d'accord qu'aucune partie des revenus du Thibet, soit en nature, soit en espèces, ne peut être engagée ou assignée tant à la Grande-Bretagne et à la Russie qu'à leurs sujets.

Annexe à l'Arrangement entre la Grande-Bretagne et la Russie concernant le Thibet.

La Grande-Bretagne réaffirme la Déclaration signée par son Excellence le Vice-Roi et Gouverneur-Général des Indes et annexée à la ratification de la Convention du 7 Septembre, 1904, stipulant que l'occupation de la Vallée de Chumbi par les forces Britanniques prendra fin après le paiement de trois annuités de l'indemnité de 25,00,000 roupies, à condition que les places de marché mentionnées dans l'Article II de la dite Convention aient été effectivement ouvertes depuis trois ans, et que les autorités Thibétaines durant cette période se soient conformées strictement sous tous les rapports aux termes de la dite Convention de 1904. Il est bien entendu que si l'occupation de la Vallée du Chumbi par les

forces Britanniques n'aura pas pris fin, pour quelque raison que ce soit, à l'époque prévue par la Déclaration précitée, les Gouvernements Britannique et Russe entreront dans un échange de vues amical à ce sujet.

La présente Convention sera ratifiée et les ratifications en seront échangées à Saint-Petersbourg aussitôt que faire se pourra.

En foi de quoi les Plénipotentiaires respectifs ont signé la présente Convention et y ont apposé leurs cachets.

Fait à Saint-Petersbourg, en double expédition, le 18 (31) Août, 1907.

(L.S.) A. NICOLSON.
(L.S.) ISWOLSKY.

[(Translation.)

Convention.

HIS Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, and His Majesty the Emperor of All the Russias, animated by the sincere desire to settle by mutual agreement different questions concerning the interests of their States on the Continent of Asia, have determined to conclude Agreements destined to prevent all cause of misunderstanding between Great Britain and Russia in regard to the questions referred to, and have nominated for this purpose their respective Plenipotentiaries, to wit:

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, the Right Honourable Sir Arthur Nicolson, His Majesty's Ambassador Extraordinary and Plenipotentiary to His Majesty the Emperor of All the Russias;

His Majesty the Emperor of All the Russias, the Master of the Court Alexander Isvolsky, Minister for Foreign Affairs;

Who, having communicated to each other their full powers, found in good and due form, have agreed on the following:—

Arrangement concerning Persia.

His Britannic Majesty's Government and the Russian Government, having mutually engaged to respect the integrity and independence of Persia, and being animated by a sincere desire for the preservation of order throughout that country and for its peaceful development, as well as for the permanent establishment of equal advantages for the trade and industry of all other nations;

Considering that each of them has, for geographical and economic reasons, a special interest in the maintenance of peace and order in certain provinces of Persia adjoining, or in the neighbourhood of, the Russian frontier on the one hand, and the frontiers of Afghanistan and Baluchistan on the other hand, and being desirous of avoiding all cause of conflict between their respective interests in the above-mentioned provinces of Persia:

Have agreed on the following terms:—

I.

Great Britain engages not to seek for herself, and not to support in favour of British subjects or in favour of the subjects of third Powers, any Concessions of a political or commercial nature—such as Concessions for railways, banks, telegraphs, roads, transport, insurance, &c.—beyond a line starting from Kasr-i-Shirin, crossing Ispahan, Yezd, and Kakhk and ending at a point on the Persian frontier at the intersection of the Russian and Afghan frontiers, and not to oppose, directly or indirectly, demands for similar Concessions in this region which are supported by the Russian Government. It is understood that the above-mentioned places are included in the region where Great Britain undertakes not to seek the Concessions referred to.

II.

Russia, on her part, engages not to seek for herself and not to support in favour of Russian subjects, or in favour of the subjects of third Powers, any Concessions of a political or commercial nature—such as Concessions for railways, banks, telegraphs, roads, transport, insurance, &c.—beyond a line going from the Afghan frontier by way of Gazik, Birjand, Kerman, and ending at Bunder Abbas, and not to oppose, directly or indirectly, demands for similar Concessions in this region which are supported by His Britannic Majesty. It is understood that the above-mentioned places are included in the region where Russia undertakes not to seek the Concessions referred to.

III.

Russia, on her part, engages not to oppose, without previous arrangement with Great Britain, the grant of any Concessions whatever to British subjects in the regions of Persia within the lines mentioned in Articles I and II.

Great Britain undertakes a similar engagement as regards the grant of Concessions to subjects of His Imperial Majesty in the same regions of Persia.

All existing Concessions within the lines mentioned in Articles I and II are maintained.

IV.

It is understood that the revenues of all the Persian customs, with the exception of those of Farsistan and of the Persian Gulf, revenues guaranteeing the amortization and the interest of the loans concluded by the Government of the Shah with the "Banque d'Escompte et des Prêts de Perse" up to the date of the signature of the present Arrangement, shall be devoted to the same purpose as in the past.

It is equally understood that the revenues of the Persian customs of Farsistan and of the Persian Gulf, as well as those of the fisheries on the Persian shore of the Caspian Sea and those of the posts and telegraphs, shall be devoted, as in the past, to the service of loans concluded by the Government of the Shah with the Imperial Bank of Persia up to the date of the signature of the present Arrangement.

V.

In the event of irregularities occurring in the amortization or the payment of the interest of the Persian loans concluded with the "Banque d'Escompte et des Prêts de Perse" and with the Imperial Bank of Persia up to the date of the signature of the present Convention, and in the event of the necessity arising, for Russia to establish control over the sources of revenue guaranteeing the regular service of the loans concluded with the first-named bank, and which are situated in the regions mentioned in Article II of the present Arrangement, or for His Britannic Majesty to establish control over the sources of revenue guaranteeing the regular service of the loans concluded with the second-named bank, and which are situated in the regions mentioned in Article I of the present Arrangement, the British and Russian Governments undertake to enter beforehand into a friendly exchange of ideas with a view to determine, in agreement with each other, the measures of control in question, and to avoid all interference which would not be in conformity with the principles governing the present Arrangement.

Convention respecting Afghanistan.

The High Contracting Parties, in order to assure the perfect security of their respective frontiers in Central Asia and to maintain in these regions a solid and lasting peace, have concluded the following Convention:—

ARTICLE I.

His Britannic Majesty's Government declare that they have no intention of changing the political status of Afghanistan.

His Britannic Majesty's Government further engage to exercise their influence in Afghanistan only in a pacific sense, and they will not themselves take, or encourage Afghanistan to take, any measures threatening Russia.

The Russian Government on their part declare that they recognize Afghanistan as outside the sphere of Russian influence, and they engage that all their political relations with Afghanistan shall be conducted through the intermediary of His Britannic Majesty's Government; they further undertake not to send any Agents into Afghanistan.

ARTICLE II.

The Government of His Britannic Majesty having declared in the Treaty signed at Kabul on the 21st March, 1905, that they recognize the Agreement and the engagements concluded with the late Ameer Abdur Rahman, and that they have no intention of interfering in the internal government of Afghan territory, Great Britain engages not to annex or to occupy in contravention of that Treaty any portion of Afghanistan or to interfere in the internal administration of the country, provided that the Ameer fulfils the engagements already contracted towards His Majesty's Government under the above-mentioned Treaty.

ARTICLE III.

The Russian and Afghan authorities, specially designated for the purpose on the frontier or in the frontier provinces, may establish direct relations with each other for the settlement of local questions of a non-political character.

ARTICLE IV.

His Britannic Majesty's Government and the Russian Government affirm their adherence to the principle of equality of commercial opportunity in Afghanistan, and they agree that any facilities which may have been, or shall be hereafter obtained for British and British-Indian commerce and traders, shall be equally enjoyed by Russian commerce and traders. Should the progress of commerce establish the necessity for Commercial Agents, the two Governments will agree as to what measures shall be taken, due regard, of course, being had to the Ameer's sovereign powers.

ARTICLE V.

The present Arrangements will only come into force when His Britannic Majesty's Government has notified to the Russian Government the consent of the Ameer to the terms stipulated above.

Arrangement concerning Thibet.

The Governments of Great Britain and Russia recognizing the suzerain rights of China in Thibet, and in view of the fact that Great Britain, by reason of her geographical position, has a special interest in the maintenance of the *status quo* in the external relations of Thibet, have made the following Arrangement:—

ARTICLE I.

The two High Contracting Parties engage to respect the territorial integrity of Thibet and to abstain from all interference in its internal administration.

ARTICLE II.

In conformity with the admitted principle of the suzerainty of China over Thibet, Great Britain and Russia engage not to enter into negotiations with Thibet except through the intermediary of the Chinese Government. This engagement does not exclude the direct relations between British Commercial Agents and the Thibetan authorities as provided for in Article V of the Convention between Great Britain and Thibet of the 7th September, 1904, and confirmed by the Convention between Great Britain and China of the 27th April, 1906; nor does it modify the engagements entered into by Great Britain and China in Article I of the said Convention of 1906.

It is clearly understood that Buddhists, subjects of Great Britain or of Russia, may enter into direct relations on strictly religious matters with the Dalai Lama and the other representatives of Buddhism in Thibet; the Governments of Great Britain and Russia engage, as far as they are concerned, not to allow those relations to infringe the stipulations of the present Arrangement.

ARTICLE III.

The British and Russian Governments respectively engage not to send Representatives to Lhasa.

ARTICLE IV.

The two High Contracting Parties engage not to seek or obtain, whether for themselves or their subjects, any Concessions for railways, roads, telegraphs, and mines, or other rights in Thibet.

ARTICLE V.

The two Governments agree that no part of the revenues of Thibet, whether in kind or in cash, shall be pledged or assigned to Great Britain or Russia or to any of their subjects.

Annex to the Arrangement between Great Britain and Russia regarding Thibet.

Great Britain reaffirms the Declaration, signed by his Excellency the Viceroy and Governor-General of India and appended to the ratified Convention of the 7th September, 1904, to the effect that the occupation of the Chumbi Valley by British forces shall cease after the payment of three annual instalments of the indemnity of 25,00,000 rupees, provided that the trade marts mentioned in Article II of that Convention have been effectively opened for three years, and that in the meantime the Thibetan authorities faithfully comply with the terms of the said Convention of 1904 in all respects. It is clearly understood that if the occupation of the Chumbi Valley by the British forces has not for any reason been terminated at the time anticipated in the above Declaration, the British and Russian Governments will enter upon a friendly exchange of views on this subject.

The present Convention shall be ratified, and the ratifications exchanged at St. Petersburg as soon as possible.

In witness whereof the respective Plenipotentiaries have signed the present Convention and affixed thereto their seals.

Done in duplicate at St. Petersburg, the 18th (31st) August, 1907.

(L.S.) A. NICOLSON.
(L.S.) ISVOLSKY.

Inclosure 2 in No. 1.

Sir A. Nicolson to M. Isvolsky.

M. le Ministre,

Saint-Petersbourg, le 18 (31) Août, 1907.

ME référant à l'Arrangement au sujet du Thibet signé aujourd'hui, j'ai l'honneur de faire à votre Excellence la déclaration suivante:—

“Le Gouvernement Britannique juge utile, pour autant qu'il dépendra de lui, de ne pas admettre, sauf accord préalable avec le Gouvernement Russe, pour une durée de trois ans à partir de la date de la présente communication, l'entrée au Thibet d'une mission scientifique quelconque, à condition toutefois qu'une assurance pareille soit donnée de la part du Gouvernement Impérial de Russie.

“Le Gouvernement Britannique se propose, en outre, de s'adresser au Gouvernement Chinois afin de faire agréer à ce dernier une obligation analogue pour une période correspondante; il va de soi que la même démarche sera faite par le Gouvernement Russe.

“A l'expiration du terme de trois ans précité, le Gouvernement Britannique avisera d'un commun accord avec le Gouvernement Russe à l'opportunité, s'il y a lieu, de mesures ultérieures à prendre concernant les expéditions scientifiques au Thibet.”

Je saisis, &c.
(Signé) A. NICOLSON.

(Translation.)

M. le Ministre,

St. Petersburg, August 18 (31), 1907.

WITH reference to the Arrangement regarding Thibet, signed to-day, I have the honour to make the following Declaration to your Excellency:—

“His Britannic Majesty's Government think it desirable, so far as they are concerned, not to allow, unless by a previous agreement with the Russian Government, for a period of three years from the date of the present communication, the entry into Thibet of any scientific mission whatever, on condition that a like assurance is given on the part of the Imperial Russian Government.

“His Britannic Majesty's Government propose, moreover, to approach the Chinese Government with a view to inducing that Government to accept a like obligation for a corresponding period; the Russian Government will, as a matter of course, take similar action.

“At the expiration of the three years above mentioned His Britannic Majesty's Government will, if necessary, consult with the Russian Government as to the desirability of any ulterior measures with regard to scientific missions to Thibet.”

I avail, &c.
(Signed) A. NICOLSON.

Inclosure 3 in No. 1.

M. Isvolsky to Sir A. Nicolson.

M. l'Ambassadeur,

Saint-Petersbourg, le 18 (31) Août, 1907.

EN réponse à la note de votre Excellence en date de ce jour, j'ai l'honneur de déclarer à mon tour que le Gouvernement Impérial de Russie juge utile, pour autant qu'il dépendra de lui, de ne pas admettre—sauf accord préalable avec le Gouvernement Britannique—pour une durée de trois ans, à partir de la date de la présente communication, l'entrée au Thibet d'une mission scientifique quelconque.

De même que le Gouvernement Britannique, le Gouvernement Impérial se propose de s'adresser au Gouvernement Chinois afin de faire agréer à ce dernier une obligation analogue pour une période correspondante.

Il reste entendu qu'à l'expiration du terme de trois ans les deux Gouvernements aviseront d'un commun accord à l'opportunité, s'il y a lieu, de mesures ultérieures à prendre concernant les expéditions scientifiques au Thibet.

Veuillez agréer, &c.
(Signé) ISVOLSKY.

(Translation.)

M. l'Ambassadeur,

St. Petersburg, August 18 (31), 1907.

IN reply to your Excellency's note of even date, I have the honour to declare that the Imperial Russian Government, for their part, consider it advisable not to permit, unless a previous agreement has been come to with the British Government, the entry into Thibet of a scientific mission of any kind for a period of three years from the date of the present communication.

Like the British Government, the Imperial Government propose to approach the Chinese Government in order to induce the latter to agree to a similar prohibition for a corresponding period.

It is understood that at the expiration of the term of three years the two Governments will by mutual agreement consider the expediency, if necessary, of taking further steps in regard to scientific expeditions to Thibet.

I have, &c.
(Signed) ISVOLSKY.

(B.)—*Text of Agreement for Exchange of Tehran-Meshed and Meshed-Seistan Telegraphs.*

No. 2.

Sir A. Nicolson to Sir Edward Grey.—(Received September 3.)

(No. 444.)

Sir,

I HAVE the honour to transmit herewith a document which was signed by M. Isvolsky and myself to-day, providing for certain arrangements to be made in connection with the telegraph lines between Tehran and Meshed and between Meshed and Nasratabad.

I have, &c.
(Signed) A. NICOLSON.

Inclosure in No. 2.

Arrangement concernant les Lignes Télégraphiques de Méched-Séistan et Méched-Téhéran.

LE télégraphe de Téhéran-Méched, rentrant en entier dans la zone mentionnée dans l'Article I de l'Arrangement concernant la Perse, passera dans le ressort de l'Administration Russe aux mêmes conditions auxquelles il se trouve actuellement dans le ressort de l'Administration Anglaise.

2 Vu qu'une partie du télégraphe Méched-Séistan traverse la zone susmentionnée, cette ligne est divisée en deux sections à Khaf; la section au nord de ce point ressortit de l'Administration Russe et la section au sud du même point ressortit de l'Administration Anglaise, aux mêmes conditions, en ce qui regarde les deux sections de la ligne, auxquelles le télégraphe se trouve actuellement dans le ressort de l'Administration Russe.

3. Vu qu'un régime mixte sur une ligne télégraphique présente, ainsi que le démontre la pratique, de nombreux désavantages, deux commutateurs seront placés à Khaf, l'un pour le fil Russe, et l'autre pour le fil Anglais. Afin d'éviter des retards dans le service des télégrammes, vu que la ligne une et entière de Méched à Séistan est ainsi divisée en deux lignes distinctes et indépendantes, le commutateur Russe pourra être relié au commutateur Anglais.

4. Tous les droits, obligations, et dépenses en ce qui regarde l'entretien, l'inspection, le contrôle, et les réparations des lignes se trouvant du ressort de l'Administration Anglaise incomberont à l'Angleterre, et de celles se trouvant du ressort de l'Administration Russe, à la Russie. Il va de soi qu'il ne s'agit que de la somme de droits, obligations, et dépenses qui reviennent actuellement à l'Angleterre ou à la Russie sur les lignes respectives de Méched-Téhéran et Méched-Séistan.

5. Les Gouvernements de la Grande-Bretagne et de Russie chargeront leurs Représentants à Téhéran de faire conjointement des démarches auprès du Gouvernement Persan à l'effet d'obtenir le consentement de celui-ci aux mesures indiquées ci-dessus.

Fait à Saint-Petersbourg, en double exemplaire, le 18 (31) Août, 1907.

(Signé) A. NICOLSON
ISVOLSKY.

(Translation.)

Arrangement respecting Telegraph Lines between Meshed-Seistan and Meshed-Tehran.

THE telegraph line between Tehran and Meshed, which is comprised in its entire length within the zone mentioned in Article 1 of the Arrangement respecting Persia, will pass under the jurisdiction of the Russian Administration under conditions similar to those to which it is at present subject under British Administration.

2. As a part of the telegraph line between Meshed and Seistan crosses the above-mentioned zone, this line is divided into two sections at Khaf; the section north of this point is under the jurisdiction of the Russian Administration, and the section to the south of the same point is under the jurisdiction of the British Administration, on conditions, as far as the two sections of the line are concerned, similar to those to which the telegraph line under the jurisdiction of the Russian Administration is at present subject.

3. As the management of a telegraph line by a mixed Administration is attended, as experience shows, by numerous disadvantages, two commutators will be placed at Khaf, one for the Russian line and the other for the British line. In order to avoid delay in the service of telegrams, in view of the fact that the single line from Meshed to Seistan is thus divided into two distinct and independent lines, the Russian commutator may be connected with the British commutator.

4. All the rights, obligations, and expenses connected with the maintenance, inspection control, and repair of the lines under the jurisdiction of the British Administration shall revert to Great Britain, and those connected with the lines under the jurisdiction of the Russian Administration to Russia. It is, of course, only a question of the total amount of rights, obligations, and expenses which at present accrue to Great Britain or to Russia from the respective lines between Meshed and Tehran and Meshed-Seistan.

5. The Governments of Great Britain and Russia will instruct their Representatives at Tehran jointly to approach the Persian Government in order to obtain the assent of the latter to the measures above mentioned.

Done in duplicate, at St. Petersburg, the 18th (31st) August, 1907.

(Signed)

A. NICOLSON.
ISVOLSKY.

(C.)—*Declaration respecting Persian Gulf.*

No. 3.

Sir Edward Grey to Sir A. Nicolson.

(No. 325.)

Sir,

Foreign Office, August 29, 1907.

I HAVE to-day authorized your Excellency by telegraph to sign a Convention with the Russian Government containing Arrangements on the subject of Persia, Afghanistan, and Thibet.

The Arrangement respecting Persia is limited to the regions of that country touching the respective frontiers of Great Britain and Russia in Asia, and the Persian Gulf is not part of those regions, and is only partly in Persian territory. It has not therefore been considered appropriate to introduce into the Convention a positive declaration respecting special interests possessed by Great Britain in the Gulf, the result of British action in those waters for more than a hundred years.

His Majesty's Government have reason to believe that this question will not give rise to difficulties between the two Governments should developments arise which make further discussion affecting British interests in the Gulf necessary. For the Russian Government have in the course of the negotiations leading up to the conclusion of this Arrangement explicitly stated that they do not deny the special interests of Great Britain in the Persian Gulf—a statement of which His Majesty's Government have formally taken note.

In order to make it quite clear that the present Arrangement is not intended to affect the position in the Gulf, and does not imply any change of policy respecting it on the part of Great Britain, His Majesty's Government think it desirable to draw attention to previous declarations of British policy, and to reaffirm generally previous statements as to British interests in the Persian Gulf and the importance of maintaining them.

His Majesty's Government will continue to direct all their efforts to the preservation of the *status quo* in the Gulf and the maintenance of British trade; in doing so, they have no desire to exclude the legitimate trade of any other Power.

I am, &c.
(Signed) E. GREY.

[42726]

No. 501.

Sir A. Nicolson to Sir Edward Grey.—(Received December 31.)

(No. 270.)

(Telegraphic.) P.

St. Petersburg, December 31, 1907.

FRENCH Financial Adviser in Persia. Referring to your telegram No. 361 of the 27th instant.

I am informed by M. Isvolsky that telegraphic instructions have been sent by him to Russian Minister at Brussels to concert with Sir A. Hardinge in order to confidentially inform Belgian Government that it would not be in accordance with the wishes of the British and Russian Governments if M. Priem were to return to the Persian service.

M. Isvolsky has also requested M. Nélidoff to beg M. Pichon to accelerate signature of French Financial Adviser's contract.

[42728]

No. 502.

Sir N. O'Connor to Sir Edward Grey.—(Received December 31.)

(No. 182.)

(Telegraphic.) P.

Constantinople, December 31, 1907.

FOLLOWING from Mr. Wratislaw, Urmia, despatched on the 29th instant, and received to-day :—

“(No. 41.)

“The Persian frontier Commissioner has received a communication from Taher Pasha, who has reached Mawana. If accommodation can be found, I think that the latter's proposal, that the Commission should meet in one of the neighbouring villages, will be accepted, as the Persians are afraid that intrigues might result from the presence of the Turkish Commission in the town of Urmia.

“The Persian Commissioner's instructions are that, if the Turks refuse to accept the identic map as the basis of discussion, he is to break off negotiations. Before taking this step, would it not be better that he should, at any rate, hand in a statement of the Persian case?

“The Persian Commissioner has called out 300 men from each of three Urmia regiments, and proposes to keep 100 in the town, send 200 to guard northern road, and to dismiss the rest.

“As he has received no instructions, the Russian Vice-Consul's attitude is one of considerable reserve; besides this he resents the disposition to act without consulting us, and the lack of candour which he thinks he detects in the attitude of the Persian Commissioner. I think that the latter, with whom I had a long conversation to-day, will in future be satisfactory on this point, but the Russian Vice-Consul stands rather on his dignity.”

[42727]

No. 503.

Mr. Marling to Sir Edward Grey.—(Received December 31.)

(No. 426.)

(Telegraphic.) P.

Tehran, December 31, 1907.

GERMAN Chargé d'Affaires.

The dispatch of instructions to the German Chargé d'Affaires in the desired sense has already been obtained by the Russian Ambassador at Berlin.

With reference to your telegram No. 219 of the 30th instant, as the Dutch Minister has already given an account, similar to that which he gave me, both to the Russian and French Ministers, there would be no objection to quoting him.

The Persian Minister for Foreign Affairs has admitted all the facts that I have reported, except as regards M. Priem (see my telegram No. 406 of the 22nd instant).

[42006]

No. 504.

Sir Edward Grey to Mr. Marling.

(No. 220.)

(Telegraphic.) P.

Foreign Office, December 31, 1907.

SITUATION in Tehran.

Please see your telegram No. 409 of the 23rd December.

We desire to know what truth there is in the news which has reached us from Berlin to the effect that the German Chargé d'Affaires had seen no reason why he should not be present at the ceremony by which the Shah took oath of fidelity to the Constitution, because the right to be present with the Russian Minister and British Chargé d'Affaires had been claimed by French Representative at Tehran.

[42726]

No. 505.

Sir Edward Grey to Sir A. Hardinge.

(No. 9.)

(Telegraphic.) P.

Foreign Office, December 31, 1907.

FINANCIAL Adviser in Persia.

Please refer to Sir A. Nicolson's telegram No. 270 of the 31st December respecting M. Priem.

Communication to Belgian Government in the sense described should be made by you in concert with the Russian Minister.

No mention must be made of the Belgian Minister at Tehran.

[42056]

No. 506.

Sir Edward Grey to Sir F. Lascelles.

(No. 395.)

Sir,

Foreign Office, December 31, 1907.

PRINCE STOLBERG-WERNIGERODE called at this Office on behalf of the German Ambassador, who was indisposed, on the 17th instant, and stated that the German Government were very anxious to settle as quickly as possible, and in a very friendly manner, the incident which has arisen at Abu Musa in connection with the export of red oxide, their only desire being to protect German commercial interests. He inquired whether His Majesty's Government were in possession of any information as to what had actually taken place at the island, and whether, if the German Government submitted to us their version, we would be willing to reply by giving our own and our views thereon.

Sir C. Hardinge, who received Prince Stolberg, gave him briefly the facts in our possession, and emphasized the illegal action of one of the Concessionnaires in having sold the Concession without the consent of his co-partners, and as a monopoly, of which the result had been the cancelling of the Concession by the Sheikh. He added that there was no foundation for the statements in the German press that His Majesty's ship "Lapwing" had seized a German warehouse, no such warehouse being in existence; and he assured Prince Stolberg that we should be glad to receive any information in the possession of the German Embassy, and that, in communicating any further information which we might obtain, I should be very pleased to state my views.

I am, &c.

(Signed) E. GREY.

[41817]

No. 507.

Foreign Office to India Office.

Sir,

Foreign Office, December 31, 1907.

WITH reference to the letter from the India Office of the 30th October last, I am directed by Secretary Sir E. Grey to transmit to you, to be laid before the Secretary of State for India, copy of a despatch from His Majesty's Chargé d'Affaires at Tehran on the subject of the Persian telegraph line between Ahwaz and Borazjoon.* I am to state that Sir E. Grey considers that it would be desirable to take advantage of the present opportunity of attempting to obtain control of this line for the Indo-European Telegraph Department, it being, as Mr. Morley is aware, most important, apart from the desirability of securing a more efficient service, to prevent this line passing into other hands.

Sir E. Grey therefore proposes, if Mr. Morley concurs, to authorize Mr. Marling by telegraph to approach the Persian Government in the matter.

I am, &c.

(Signed) LOUIS MALLET.